

# On well-being and public policy: Are we capable of questioning the hegemony of happiness?

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## **Abstract**

Measuring the well-being of citizens has become established practice in many advanced democracies. In the move to go beyond GDP, indicators of subjective wellbeing (SWB) have come to the fore, and are increasingly seen as providing a 'yardstick' to guide public policy. A strong version of this position is that SWB can (and should) provide the sole basis on which to design and evaluate public policy. This article argues that the increasing dominance of the subjective definition of well-being is problematic, and amounts to a hegemony of happiness. The article examines the fundamental assumptions behind different accounts of well-being, and develops a critique of the 'strong position' that sees SWB as the ultimate guide for public policy. First, the connections between the modern debate and classical schools of thought are discussed, and the strong Benthamite SWB approach is contrasted with the alternative Aristotelian Capabilities Approach. Next, the article examines current practice, using the UK's Measuring National Well-being programme as a case study. Finally, the article concludes that SWB has questionable legitimacy as a summary indicator of objective quality of life, and does not, on its own, provide a reliable metric for public policy. The Capabilities Approach, which takes a pluralist perspective on well-being and prioritises freedom and opportunity, offers a richer and more useful foundation for policy.

## Introduction

The project of incorporating the well-being of citizens into metrics of national well-being and progress is now well established, and has moved up the political agendas of nations across the world, including many of the advanced industrial democracies – Australia, Canada, Sweden and the UK are notable examples. This article aims to contribute to the debate about how national well-being is defined and measured, by offering a critical review of the main schools of thought.

In 1968, US Senator Robert F Kennedy made a speech that highlighted the deficiencies of using measures of income as indicators of national well-being, stating that the gross national product “measures everything, in short, except that which makes life worthwhile” (Kennedy 1968). Four decades later, in November 2010, in the midst of a global and national economic crisis, the British Prime Minister made a speech that launched the *Measuring national well-being: measuring what matters* programme. The UK Office for National Statistics (ONS) was commissioned to develop a suite of new well-being indicators that went beyond income as the principal measure of well-being, and would be used to inform public policy. Echoing Kennedy, Cameron stated that the government intended to

start measuring our progress as a country, not just by how our economy is growing, but by how our lives are improving; not just by our standard of living, but by our quality of life... it will lead to government policy that is more focused not just on the bottom line, but on all those things that make life worthwhile. (Cameron 2010)

The two speeches may be thought of as markers in a wider trend towards the use of national indices of well-being as tools for informing and appraising public policy. This trend consists of two main historical waves (Bache and Reardon 2013): the first wave in the 1960s involved national ‘social indicators’ initiatives in North America and Europe that aimed to develop multidimensional measures of national well-being and social progress; the second wave, of which the contemporary debate is a part, is characterised by mounting global concern about the ecological impacts of economic development, and recognition of the deficiency of GDP in capturing the negative social and environmental externalities of economic growth.

The two waves represent a shift away from social indicators designed to monitor the state of society as a collective whole, towards an emphasis on measuring individual well-being, and, in particular, individual psychological states (Tomlinson and Kelly 2013): the second wave is characterised by a

new focus in many countries on consulting citizens directly about their levels of happiness and life satisfaction, or their subjective well-being (SWB). Many national and international social surveys now include self-reported measures of respondents' subjective experiences of life, and this has resulted in a large body of work in the mainstream Economics and Psychology literatures based on the quantitative analysis of measures such as life satisfaction (e.g. Blanchflower and Oswald 2004, Clark et al. 2008, Easterlin 2001, Diener et al. 1995).

The increasing popularity of subjective well-being in the academic literature is mirrored by the rise of SWB in the policy arena (e.g. Donovan and Halpern 2002, Dolan and Peasgood 2008). While many see SWB as a useful addition to existing social indicators, a 'strong' position on SWB has emerged: this strong version holds that SWB provides a summary of how well people's lives are going, and represents, in a single indicator, a reflection of overall, objective welfare. This strong position is exemplified in the Legatum Institute's Commission on Wellbeing and Policy report (O'Donnell et al. 2014), which contains as a technical appendix a cost-benefit policy analysis based solely on SWB data.

In both the academic and policy arenas, the term 'well-being' is often used simply to refer to the psychological state of happiness and life satisfaction. However, well-being can be conceptualised in different ways, and different definitions have different policy implications. While SWB has, for many, become the indicator of choice, its use in relation to guiding public policy has been criticised from a variety of perspectives (Tomlinson and Kelly 2013, O'Neill 2008, Burchardt 2006). The objective of this article is to complement and build on these existing critiques through a discussion of the theoretical assumptions behind different approaches to defining and measuring well-being.

The first section sets out the historical context of the well-being debate, tracing it back to ancient Greek philosophy. The following two sections review how these distinct historical conceptualisations of well-being are manifested in the modern debate: the second section considers the 'new science of happiness', using the UK Measuring National Well-being Programme as a case study; the third section sets out and defends an alternative account of well-being, the Capabilities Approach. The final section concludes that SWB, on its own, is an unreliable indicator of well-being, and that the Capabilities Approach provides a sounder basis for the design and appraisal of public policy.

## 1. Well-being: three millennia of progress

The meaning of well-being and how to achieve it has been debated at least since the times of the ancient Greeks; the enquiry into what constitutes a good, flourishing, worthwhile human life was at the heart of ancient Greek ethical philosophy, and the answers they gave can be grouped roughly into two categories (O'Neill 2006a). On one hand, the Epicurean hedonistic philosophy was that a life well-lived is a life characterised by pleasure and an absence of pain. On this account of the good life, being in a state of subjective pleasure is of supreme intrinsic value; it is the ultimate goal, the benchmark for evaluation of a life, and all other goods, activities and states of existence are valued in terms of their instrumental contribution to subjective pleasure. To achieve well-being, Epicurus advised withdrawal from political and civic life (Bergsma et al. 2008).

On the other hand, in contrast to the Epicurean hedonistic account, Aristotelian well-being consists in a life of activity that enables a person to flourish in the concrete spheres of human life, in accordance with the essential nature of human beings as social and political animals (Aristotle: *Nicomachean Ethics*). While Epicurus' account of well-being was grounded in individuals' subjective experience of their lives, the Aristotelian account defined well-being as *constituted by* activity in the social and political world. On the Epicurean account, positive outcomes in domains such as health, wealth and social connectedness are related *instrumentally* to well-being; good health, adequate wealth and positive social relationships are valued as causal contributors to the ultimate goal of a pleasurable subjective state. In contrast, Aristotelian well-being represents a multi-dimensional conception of value, with specific domains like good health, material security and social and political participation related *constitutively* to well-being, and valued intrinsically as the essential components of well-being.

The Epicurean account therefore rests on a form of value-monism, where every other aspect of life is commensurable on a single dimension that runs from pleasure to pain. The Aristotelian account, in contrast, is grounded in value pluralism, and denies the existence of a single, simplifying dimension along which the plurality and complexity of life can be measured.

The ancients' distinction between subjective-monist and objective-pluralist accounts of well-being remains apparent in the modern well-being debate. In a review of the 'economics and happiness' literature, Bruni and Porta (2005) suggested that conceptualisations of well-being may be categorised as either "Benthamite-subjective-hedonic-individualistic" or "Aristotelian-objective-eudaimonic-rational". An alternative categorisation, based on the discussion above, is Subjective-

Instrumental-Monist and Objective-Constitutive-Pluralist. The next two sections consider these categories and how they apply to the contemporary debate.

## **2. Well-being: Subjective-instrumental-monist**

At the core of classical economics was the concept of utility, defined by Bentham as “that property in any object, whereby it tends to produce benefit, advantage, pleasure, good, or happiness (all this in the present case comes to the same thing)” (Bentham 1982/1789). Classical Utilitarianism provides both a descriptive and normative account of human action: human beings are ruled by the “sovereign masters” of pleasure and pain, and each individual acts in order to maximise her own good – to maximise pleasure and avoid pain; similarly, the right thing to do is that which maximises utility, or creates the greatest happiness of the greatest number (Bentham 1982/1789).

The prominence of GDP as the measure of well-being favoured among institutions of national and global governance in the 20<sup>th</sup> and 21<sup>st</sup> centuries reflects the dominance of the neo-classical paradigm, according to which utility is the guiding value. However, as suggested by Bobby Kennedy’s 1968 speech, it has long been recognised that there are problems with GDP as an indicator of national well-being. Not only does it fail to account for many things that matter to people, but it is distribution-insensitive and compatible with extreme forms of social inequality. Not only does GDP fail to account for inter- and intra-household inequalities of resources and power, but it also excludes many of the negative externalities of economic growth, including health issues such as obesity and stress, and the depletion of natural resources and damage to the natural environment. The call to go ‘beyond GDP’ (e.g. Stiglitz et al. 2009) has therefore become an imperative for governments across the world.

### **2.1. The new science of happiness**

The ‘new science of happiness’ (Layard 2005) that emerged two millennia after Epicurus and two centuries after Bentham shares many of the basic propositions of classical utilitarianism; first, that an individual’s subjective experience of her own life is an important and worthwhile object of study, and, second, that it is possible to develop valid and reliable measures of this subjective experience. Questions such as “Overall, how satisfied are you with your life nowadays?” (ONS 2011a) now appear on numerous national and international social surveys, and the inclusion of SWB questions in representative sample surveys has led to the meteoric rise of ‘the new science’, particularly in the

fields of Economics and Psychology. The 'science' of SWB is now established to such an extent that this literature generally assumes a subjective account of well-being without question or debate.

Subjective well-being is often separated into different components, including the affective/emotional (feelings of happiness) and the cognitive-evaluative (e.g. life-satisfaction), plus so-called 'eudaimonic' aspects, such as feelings of self-worth (Ryff 1989). Accordingly, the measures developed by the UK Office for National Statistics to measure SWB consist of four questions designed to cover these different dimensions (happiness/anxiety, feelings of leading a worthwhile life, and overall life satisfaction). The different dimensions, however, are all subjective states, and are therefore treated here as being simply different aspects of overall SWB, and part of the category of Subjective-Instrumental-Monist well-being. It should be noted that SWB is subjective in *definition*, although not necessarily in *measurement*: on this account, a positive psychological state is how well-being is defined, but this may be measured either subjectively, through self-reports, or objectively, through observational methods, peer reports or bio-chemical data (Kahneman and Krueger 2006).

In summary, the 'new science of happiness' is firmly located within the Subjective-Instrumental-Monist category, and has a direct lineage from the classical hedonic-utilitarian account of well-being. This is explicit in the titles of some of the early seminal literature in the field; for example, 'Well-being: the foundations of hedonic psychology' (Kahneman et al. 1999) and 'Back to Bentham?' (Kahneman et al. 1997). In his development of a utilitarian philosophy, Bentham's aim was to specify the good of both the individual and of society, and the new science of happiness encompasses this same dual purpose. In relation to individuals, it connects with psychology, behavioural economics and the 'positive psychology' movement (Diener and Ryan 2009). In relation to society as a whole, much of this work takes the form of 'happiness equations' (Powdthavee 2010) – a modern *felicific calculus* based on the use of statistical techniques to discover the correlates of different levels of aggregate SWB, often with the purpose of providing policy guidance about how to achieve the greatest happiness of the greatest number (e.g. Layard 2005).

## **2.2. Arguments in favour of the subjective account**

Advocates of the 'new science' argue that a focus on subjective well-being is a radical approach to human welfare and societal well-being. First, this approach is based on self-reported well-being, which is fundamentally democratic and non-paternalistic:

...it grants respect to what people think and feel about their lives. People are not content to have experts evaluate their lives; they believe that their opinions matter. (Diener et al. 2009)

As such, it is argued that SWB represents an important advance in the validity of well-being measurement: while income and GDP are only proxy indicators of individual and national utility, SWB provides a direct report.

### **2.3. Well-being and policy in the UK**

Although the idea of well-being has achieved a high profile in terms of political rhetoric, it remains relatively marginal in the mainstream public policy agenda in the UK (Bache and Reardon 2013). However, among those departments leading the UK's Measuring National Well-being programme, the 'new science of happiness' has enjoyed significant influence, and the use of SWB as a 'yardstick' for planning and evaluating policy has been advocated or implicitly assumed in different reports from a variety of governmental departments and bodies since the early 2000's. In 2002, a 'life satisfaction' seminar was given by Richard Layard at HM Treasury (Scott 2012), and around the same time, a report from the Prime Minister's Strategy Unit emphasised the usefulness of SWB in terms of its simplicity and comprehensibility for ranking policy options (Donovan and Halpern 2002). This theme is echoed in a 2011 report from the Office for National Statistics (2011b), which sets out a classic utilitarian strategy:

Expected gains in SWB could be computed for different policy areas and this information could be used to decide which forms of spending will lead to the largest increases in SWB.

The strategy advocated here is the valuation of policy areas by their contribution to average SWB: the recommended aim is the greatest happiness of the greatest number (i.e. the highest level of average SWB), with public funds to be allocated on this basis.

It is also apparent from a number of other government reports that positive outcomes in domains such as health, material security and social relationships tend to be defined primarily as causal factors in achieving the ultimate goal of subjective satisfaction. The wording of various reports reflects the 'strong position' of SWB as the ultimate policy goal. For example, the 2005 UK Sustainable Development Strategy (Defra 2005) stated that:

Many of our existing indicators cover issues that affect people's wellbeing, for example employment, community participation, education, housing conditions, health, income, and the environment more generally. (p.23)

This extract reveals the assumption that 'wellbeing' is equated with a subjective state, and implies that the maximisation of subjective satisfaction is the assumed policy priority, with the specific domains mentioned (community participation, housing conditions and so on) valued primarily in terms of their causal contribution towards the main goal of achieving high levels of subjective satisfaction. Similarly, a working paper from HM Treasury (Lepper and McAndrew 2008) states that econometric analysis of SWB data "can provide evidence for policy-makers, to assess how material welfare *affects* well-being" (emphasis added); this again demonstrates the use of 'wellbeing' as shorthand for subjective satisfaction, and shows the tacit assumption that SWB is the ultimate goal. Together, these examples demonstrate that, as in the Economics and Psychology literatures, the default definition of well-being among British policy actors has become a subjective definition: when the term 'well-being' is used, it implicitly refers to subjective well-being, to the extent that alternative meanings of 'well-being' are not even considered. In sum, a hegemony of happiness has emerged.

#### **2.4. SWB in the UK Measuring National Well-being Programme**

The original aim of the UK Measuring National Well-being (MNW) programme, launched in 2010 by Prime Minister David Cameron, was to develop a multidimensional framework for well-being, in line with initiatives at the OECD and EU levels. The preliminary stage of the MNW programme was a national consultation, conducted by the Office for National Statistics, to gather views from the UK public about which measures should be included in an index of national well-being (ONS 2011c). The consultation resulted in the development of a framework consisting of ten domains, including health, social relationships, meaningful work, a safe environment, and material security, measured by a battery of around indicators. One of the ten domains represents subjective well-being - the "Personal well-being" domain consists of four questions designed to capture the emotional (happiness/anxiety), evaluative (life satisfaction) and 'eudaimonic' (self-worth) dimensions of subjective well-being. The framework is non-hierarchical, and SWB is not prioritised over the other domains. This demonstrates that the MNW framework was designed originally as a multi-dimensional framework, with SWB as only one amongst a larger set of domains.



However, the technical reports connected to the programme once again demonstrate the dominance of “Individual” (i.e. subjective) well-being, defined as “People’s own assessment of their own well-being (SWB)”. For example, a summary diagram in a 2011 ONS report (ONS 2011a) shows individual well-being at the centre of the framework, with factors such as health and relationships conceived as “directly affecting” well-being: again, SWB is apparently prioritised as the ultimate goal. This example demonstrates the centrality of SWB in practical usage of the Measuring National Well-being framework, and the utilitarian-hedonic assumptions underlying the interpretation of the idea of well-being among the policy community that is leading the UK Measuring National Well-being programme.

## **2.5. Objections to the subjective account**

Despite its increasingly dominant status, however, there are various objections to the subjective account of well-being that call into question the usefulness of SWB as a policy ‘yardstick’. The principal ones are the problems of instrumentalism and individualism; the scope fallacy (plus other measurement issues) inherent in survey measures of SWB; and the problem of adaptive preferences, with the latter considered by many to be the fatal flaw in subjective accounts of well-being.

### **Instrumentalism**

The first objection stems from the subjective account’s monism – its uni-dimensional, instrumental valuation of the concrete aspects of life that matter to people (good health, material security, fulfilling social relationships and so on) as merely *causal contributors* to the ultimate goal of a pleasurable subjective state. However, the instrumentalism at the heart of the subjective account seems implausible: most people do not value their health and families (for example) simply as contributors to subjective pleasure; good health and fulfilling relationships may indeed be subjectively pleasurable, but this is only one part of why they are valued. If subjective pleasure was really of ultimate value, people would not hesitate to plug in to Nozick’s Experience Machine (Nozick 1974). The Experience Machine is a thought experiment that aims to bring out the implausibility of the subjective account of well-being: Nozick puts forward a scenario in which a machine has been invented that enables a person to experience a lifetime of subjective pleasure, without leaving the laboratory or even being aware that they are in it. The choice is between spending a life of guaranteed pleasure plugged into the machine, or living a real life as a human being in the social and political world. Choosing real life over plugging into the Experience Machine equates to the belief that subjective pleasure is not the sole or even the most important value. Nozick argues that the

argument in favour of the experience machine is “wildly implausible” and that most people would choose real life; and there is empirical evidence to support this intuition (Weijers 2013).

### **Individualism**

The approach to individual and national well-being that involves measuring and aggregating individual psychological states has also been criticised for being based on highly normative ideas of individualism: rather than an individual phenomenon, well-being is often conceptualised as a process embedded within a social context, with the content of well-being generated through relationships with others (e.g. Dean 2009, Doyal and Gough 1991, Deneulin and McGregor 2010); this social definition challenges “contemporary policy responses to wellbeing which are individualised and market-led” (Taylor 2011). Related to this, subjective approaches tend to assign people responsibility for their own happiness: for example, in a 1999 review paper entitled ‘Subjective well-being: three decades of progress’, Diener and colleagues concluded that “the happy person... tends to look on the bright side of things, and does not ruminate excessively about bad events” (Diener et al. 1999). This transference of responsibility for well-being away from collective social institutions and onto citizens as individuals suggests that subjective approaches risk paying insufficient attention to the structural causes of well- and ill-being. This is especially relevant because, like per-capita GDP, average SWB is distribution-insensitive, and compatible with high levels of inequality.

### **The Scope Fallacy and other measurement issues**

With regard to the measurement of SWB, survey questions about global subjective well-being, such as measures of life satisfaction (e.g. “Overall, how satisfied are you with your life nowadays”), contain an ambiguity, or “scope fallacy”, that is often overlooked in the SWB literature. It is unclear whether respondents are providing a *subjective assessment of objective well-being* or a *subjective assessment of subjective well-being* (O'Neill 2006b). The strong position – the ‘SWB as yardstick’ approach - assumes that survey questions such as these provide a subjective summary assessment of objective of well-being, but given the ambiguity in the interpretation of this type of question, this assumption is of questionable validity.

In addition to the scope fallacy, various cognitive biases, including the Peak-End rule and retrospective bias (O'Neill 1993, Kahneman et al. 1993), are known to influence responses to survey questions about both cognitive (life satisfaction) and affective (happiness) aspects of SWB, which raises questions about the accuracy and reliability of people’s subjective evaluations. Similarly,

important framing effects have been found to be introduced by survey question ordering; for example, asking political questions before life satisfaction questions causes downward bias in SWB responses (Deaton 2012).

A third issue with the measurement of SWB emerges from the Economics and Psychology literatures, where research findings from the quantitative analysis of measures like 'life satisfaction' have shown that SWB is strongly influenced by genetic factors (Lykken and Tellegen 1996), and that most life events – good or bad – have little long-term influence on subjective states, since individual SWB tends to return to a genetically determined 'set point' (Headey and Wearing 1989). This implies that average SWB is largely resilient to exogenous influences, including, perhaps, policy interventions; policies aiming to maximise SWB may be subject to an analogous self-defeating 'treadmill' effect, whereby policy has to be constantly reshaped in order to keep ahead of the hedonic adaptation of the population.

### **The problem of adaptive preferences**

The most serious objection to subjective state accounts of well-being is the problem of adaptive preferences. According to this argument, some objective benchmark of well-being is necessary because human beings adapt to external circumstances. For example, very poor or disadvantaged people may adapt to their deprivation and be perfectly cheerful (have high SWB), but could not reasonably be said to be flourishing as human beings:

A person who is ill-fed, undernourished, unsheltered, and ill can still be high up in the scale of happiness or desire fulfilment if he or she has learned to have 'realistic' desires and to take pleasures in small mercies. (Sen 1985)

There is empirical evidence in the SWB literature that supports this 'small mercies' argument: for example, one study showed that slum-dwellers in Calcutta, despite daily struggles against extreme poverty, reported themselves on average 'satisfied' across all nine life domains included in the study, and had the same level of overall life satisfaction as a middle-class comparison group (Biswas-Diener and Diener 2001). This result would seem to many counter-intuitive, and certainly shows that objective and subjective welfare are not necessarily closely correlated.

The problem of adaptive preferences is particularly relevant to vulnerable and deprived groups, who are likely to have the fewest resilience resources, in terms of both economic and human capital, to

cope with hardship. However, other evidence also supports the theory that subjective well-being is adaptive to circumstances, and not just among the poor and disadvantaged. Work by Veenhoven and colleagues revealed “the paradox of happiness in hardship”, whereby average subjective well-being within OECD nations was found to be unaffected by various economic and environmental crises (Veenhoven 2005, Veenhoven and Hagenaars 1989).

In support of this, various data sources (Crabtree 2010, ONS 2012, OECD 2013) show that SWB in the UK remained stable during the economic crisis that began in 2007, despite objective hardship in the form of a recession of unprecedented depth and length and a regime of severe public spending cuts, along with soaring unemployment and increases in the cost of living that led to a “hunger crisis” (HM Treasury 2010, Trussell Trust 2013).

Similarly, in the USA, one study showed that average SWB decreased at the beginning of the crisis (2008-2009), but largely recovered during 2010, despite continued high unemployment (Deaton 2012). That study concluded that measures of SWB “do a much better job of monitoring short-run levels of anxiety”, suggesting that SWB in this context may reflect emotional responses to hardship, rather than broader cognitive-evaluative assessments of life-as-a-whole - that is, a subjective assessment of subjective well-being, rather than a subjective assessment of objective welfare. This led to the conclusion that:

In a world of bread and circuses, measures like happiness that are sensitive to short-term ephemera, and that are affected more by the arrival of St Valentine’s Day than to a doubling of unemployment, are measures that pick up the circuses but miss the bread. (Deaton 2012)

## **2.6. Explaining the popularity of SWB**

Despite these objections to the subjective account of well-being, the new science of happiness has achieved a prominent position in the British Measuring National Well-being policy programme and related activities. The popularity of SWB among policy actors may be explained by highlighting the common utilitarian roots of GDP and SWB. It has been argued that “GDP fetishism” (Stiglitz 2009) is symbolic of the neoliberal agenda that has characterised the political economies of many advanced democracies in recent decades, the core tenet of which is an approach to economic governance centered on the shrinking of the welfare state in favour of market-based approaches to public policy. Neoliberalism, which may be traced directly back to classical utilitarianism, has become a ‘Theory of Everything’ that imbues the thinking of modern policy-makers (Hay 2001, Mirowski 2013). The roots

of the SWB approach in the classical liberal paradigm help to explain the appeal of the SWB-as-yardstick approach: the subjective account of well-being fits neatly into the dominant neo-liberal worldview, and the mutual compatibility of GDP and SWB helps to explain why the latter has been seamlessly incorporated into discourses around national well-being in Britain. SWB also mirrors GDP in that it is a simple, uni-dimensional, intuitive, headline metric that can be employed easily as a “yardstick” for ranking policy options and evaluating policy programmes, thereby lending itself to the standard methods of cost-benefit analysis in the planning and evaluation of public policy.

### **3. Objective-constitutive-pluralist: the alternative account**

The alternative to the subjective-state account of well-being is the objective account, whereby well-being is defined not as a particular psychological state, but as a way of living and being that can be evaluated objectively. Aristotelian ethics provides the philosophical foundation of this school of thought, and modern political theory also contains objective accounts of well-being. For example, Rawls’ (1972) list of primary goods comprises a set of basic resources that, according to Rawls, all rational individuals, regardless of the details of their specific life plans, would require as prerequisites to pursue those life plans. The list encapsulates a set of basic liberties and opportunities, including wealth and income, which provide individuals with the freedom and resources to pursue their life plans. On this account, national well-being might be measured by people’s possession of the primary goods.

However, purely resource-based accounts of well-being also pose problems. First, it is argued that resources are not ends in themselves, but only means to ends; it is not the resources themselves that are valuable, but what they enable a person to be and to do (Sen 1999). Second, different individuals may have different resource requirements, as well as different abilities to transform primary goods into valued activities and outcomes; for example, a member of a group that is systematically discriminated against may have a lower ability to transform education into their occupation of choice. As such, a focus on the resources available to the individual provides an important but only partial perspective on well-being (Nussbaum 2000, Sen 1985).

Objective accounts of well-being are characterised by multidimensional frameworks for measuring, evaluating and monitoring national well-being. For example, the ‘Stiglitz Commission’, part of the OECD’s Measuring Well-being and Progress work programme, was set up to develop a framework for measuring economic and social progress that went beyond traditional economic indicators

(Stiglitz et al. 2009). The report presented a multidimensional, objective definition of well-being, constituted by eight domains:

- Material living standards (income, consumption and wealth)
- Personal activities including work
- Health
- Social connections and relationships
- Education
- Political voice and governance
- Environment (present and future conditions)
- Insecurity, of an economic as well as a physical nature

This definition is objective in the sense that it defines well-being as constituted by flourishing in these objective domains. The Commission's final report recommends that these these objective constituents of well-being should be measured using both objective and subjective indicators – both independently generated and self-reported data - in recognition that what people think and feel about their own lives in an important dimension of the measurement of objectively defined well-being.

### **3.1. The Capabilities Approach**

A paradigmatic example of the Aristotelian objective-constitutive-pluralist approach to well-being is the Capabilities Approach (Nussbaum 2000, Sen 1985), which has been labelled “one of the most significant theoretical contributions to welfare analysis” (Anand et al. 2005). The Capabilities Approach (CA) focuses not just on the resources an individual has at her disposal, nor how she feels about her life, but also on her freedom to achieve well-being – her capability to lead a flourishing and worthwhile life (Sen 1999). Capability is conferred by a combination of the resources a person possesses, along with features of the person and the wider political and socio-economic environment that enable the conversion of resources into valuable outcomes (Sen 1999). The freedoms and opportunities available to people, given their particular configurations of resources, personal characteristics and the structural environment, define the extent to which they can reasonably be said to be flourishing as human beings (Nussbaum 2000). Therefore, according to the capabilities approach, the expansion of capabilities is the proper aim of public policy (Nussbaum 1997).

The capabilities approach is a general framework designed to be tailored to specific contexts and populations (Sen 2004); in its practical usage, an objective list of capabilities must be specified for the measurement and evaluation of well-being. This results in lists of capabilities that are argued to be universal, at least in terms of the referent population: for example, many capabilities lists include the capabilities to be adequately nourished and sheltered, to have political voice, and to engage in fulfilling work and positive relationships with others (e.g. Nussbaum 2000, Burchardt and Vizard 2007). It is argued that core capabilities such as these are universal goods, and in the absence of any of them, people cannot reasonably be said to be leading flourishing human lives. In accordance with its Aristotelian roots, a social definition of well-being is often adopted in a capabilities context, which recognises that personal and social identities are mutually constituted, and that well-being occurs within social relationships of inter-dependence (Deneulin and McGregor 2010, Sen 2002).

### **3.2. Objections to the objective account – paternalism and diversity**

There are, however, numerous objections to objective accounts of well-being in general, and to the Capabilities Approach in particular. The most notable is the problem of paternalism, and there are also objections based on the value of diversity (Nussbaum 2000). The first objection is that people themselves are surely the best judges of what, for them, constitutes a good and worthwhile life: objective definitions, it is argued, undermine people's agency and autonomy, and are paternalistic and patronising (Sugden 2006).

An objective account of well-being may also be opposed on the basis of the claim that there are no truly universal values – there is simply too much diversity in conceptions of well-being to be accommodated by a single objective definition: it is argued that an objective, externally-imposed account of well-being rides roughshod over this diversity, while a subjective account, by definition, makes room for it.

It is contended by capability theorists that focusing on capabilities – the freedom to achieve valuable outcomes - rather than making specific outcomes the normative target, creates space for diversity in conceptions of well-being, and avoids the imposition of a particular notion of value (Nussbaum 2000). As such, the main arguments against objective accounts of well-being are addressed by the commitment of the Capabilities Approach to freedom and individual agency: the concern about paternalism loses its power if the objective account of well-being includes a commitment to the freedom to plan one's own life and formulate one's own goals; and an objective capabilities framework leaves room for a diversity of views about the relative value of the basic constituents of

well-being. Nor does an objective capabilities approach necessarily impose uniformity: universal values are subject to “multiple realizability” (Nussbaum 2000) – they are not required to manifest in exactly the same way in all places for all people. Furthermore, while the concept of agency is fundamental to the capabilities approach, assessments of what people are really able to be and do requires consideration of the “complex interrelationships between human striving and its social and material context” (Nussbaum 2000:70): at the same time as prioritising individual self-determination and freedom, the capabilities approach places equally high priority on the role of underlying structural processes in what people are capable of being and doing.

### **Empirically unsound and unworkable in practice?**

A final critique of the Capabilities Approach is that it is not a practical option for evaluating well-being or guiding policy. The CA was designed as a broad framework to be tailored to specific contexts and people, and for this reason is deliberately underspecified (Sen 2004). However, this has led to the approach being criticised as “empirically unsound” (Srinivasan 1994) and “unworkable in practice” (Rawls 1999).

There have in fact been many examples of the empirical operationalisation of the CA using both qualitative and quantitative methods. A notable example includes the Capabilities Measurement Project<sup>1</sup>, which has demonstrated how the concept of capability can be operationalised using existing and new data sources and advanced statistical techniques (Anand et al. 2009a, Anand et al. 2009b). This and other examples of empirical work (e.g. Krishnakumar and Ballon 2008, Burchardt and Vizard 2014) stand in direct contradiction to the claim of empirical unsoundness.

The CA has also been used extensively in practical policy settings, from grassroots projects in developing countries to national-level policy initiatives in more affluent settings (for a review see Ibrahim and Tiwari 2014). For example, the Capabilities Measurement Project mentioned above informed the OECD’s adoption of the CA as the conceptual framework for its Better Life Index (see Durand and Smith 2013). Another relevant example is the Equalities Measurement Framework (Burchardt and Vizard 2007), developed in the UK by the Equalities and Human Rights Commission (EHRC). The EHRC is a non-departmental public body with the statutory duty to monitor, protect and promote equality and human rights in the UK, and it uses the Capabilities Approach to conceptualise, measure and evaluate well-being, with a specific focus on inequality. Since 2007 it has used a list of “central and valuable capabilities” to provide a framework for its activities, including agreeing

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<sup>1</sup> <http://www.open.ac.uk/ikd/projects/capabilities-measurement/>



priorities, setting targets, and evaluating national progress towards equality (EHRC 2007). The Equalities Measurement Framework has been used as a multi-dimensional tool to make recommendations and specify actions for the EHRC, and to drive reform of Equality legislation at both the national and local levels (EHRC 2009).

In summary, there is a large body of academic and practice-based evidence in this area that undermines the suggestions that the CA is “empirically unsound” and “unworkable in practice.” Most importantly, the OECD’s and UK EHRC’s adoption of the Capabilities Approach for the purpose of guiding and evaluating policy around well-being and equality demonstrates the existence of a workable alternative to the Subjective-Instrumental-Monist approach to public policy.

#### **4. Conclusions: Well-being and public policy**

The inclusion of well-being indicators in the evidence used to guide public policy reflects widespread acknowledgement of the need to go beyond economic growth in measuring the quality of life. This represents a model of people-centered rather than economic-growth-centered development, and must surely provide a better, more progressive basis for public policy.

However, the idea of well-being has multiple interpretations, and how well-being is defined and measured is not simply a matter of philosophical perspective but can have real, practical implications for public policy. Among policy actors in the UK and elsewhere, the ‘new science of happiness’ has achieved dominant status, and the default definition of well-being has become a subjective account. A ‘strong version’ of this position has emerged, according to which a positive psychological state is of ultimate value, and the measurement of SWB can be used as a policy ‘yardstick’ to summarise all other domains of well-being. The appeal of SWB is clear – it provides a simple quantitative indicator that seemingly provides a neat shortcut to solving dilemmas about the distribution of resources. However, this article has highlighted fundamental problems with the Subjective-Instrumental-Monist approach to defining and measuring national well-being.

First, SWB is not a reliable public policy yardstick. The problem of adaptive preferences and the scope fallacy undermine the validity of SWB as a summary indicator of overall well-being: there can be a problematic disjoint between subjective and objective well-being, and stable SWB may mask important variation in the objective quality of people’s lives and their freedom to flourish. This is particularly the case among the most vulnerable, which leads to the risk of policy failing to address

the structural causes of deprivation. How people feel about their own lives is an important element of a definition of national well-being; however, using SWB on its own as a policy 'yardstick' would be, at best, inaccurate and liable to miss important policy-relevant insights; at worst, it is likely to perpetuate the underlying causes of inequality and disadvantage. The psychological state of pleasure should be considered a necessary but not sufficient condition for well-being.

Second, in the policy context, the dominant status of the subjective interpretation of well-being obscures alternative accounts and approaches that could provide a firmer foundation for public policy. The Capabilities Approach is one such alternative. While the subjective utilitarian account of well-being represents value-monism, placing supreme intrinsic value on the subjective state of pleasure, the Capabilities Approach assumes value-pluralism, and allows multiple intrinsically valuable ends spanning multiple areas of policy. The Capabilities Approach therefore provides a rich, policy-relevant framework for developing an objective account of multi-dimensional well-being, grounded in a prioritisation of maintaining and expanding people's freedom to lead flourishing lives.

In the UK, the Measuring National Well-being Framework provides a starting point for questioning the hegemony of happiness. Full utilisation of the complete multidimensional framework – rather than reliance on SWB as a summary of the rest – with the domains and measures expanded to incorporate freedom, agency and opportunity, would provide a firm foundation for a Capabilities-based approach to defining and measuring national well-being as a guide for public policy.

To conclude, then, the answer to the question posed in the title of this article is that the hegemony of happiness can indeed be questioned. The SWB approach does not take us very far beyond GDP, but the Capabilities Approach offers a realistic alternative for defining and measuring that which really does make life worthwhile.

**Acknowledgements**

The author wishes to acknowledge Stephen Jeffares, John O'Neill, Hillel Steiner, Dan Haybron, Nick Shryane, Lindsay Richards, David Bayliss, Ian Bache, an anonymous reviewer, and participants at the 2014 International Society for Quality-of-Life Studies (ISQOLS) conference in Berlin for invaluable feedback on earlier drafts.

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