

**COVID-19 as a Capability Crisis:
Using the Capability Framework to Understand Policy Challenges**

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1 Introduction

The claim that COVID-19 provides the most substantial challenge to human development the world has seen for a century or more is, unfortunately, increasingly plausible. The positive freedoms necessary to pursue the lives people value have been constrained across the world. In this policy forum, therefore, we consider ways in which the capability approach, as developed by Sen (2001) and others, can be drawn on to identify impacts of COVID-19 and understand some of the key policy responses.

From the 1980s on, a growing number of economists and other social scientists have argued for a framework that brings ethics into economic and social analysis more explicitly. They pointed out that there was a need for an approach to economic development that monitored human outcomes directly as well as through the lens of income. As a global crisis, COVID-19 warrants this view as the protection of lives and livelihoods has rapidly risen in the health, economic, social, and political agenda. At its core, the capability approach is a paradigm that provides several pathways that can be used to connect policy analysis and ethical foundations.¹

2 The Diversity of Capabilities Compromised

In recent analysis, UNDP (2020) projected some of the deepest losses to human development in centuries. Data will document this more precisely in due course but the emerging evidence on health outcomes (deaths and cases) and unemployment claims in some countries are already confirming this. Stock markets, which currently reflect low interest rates and the financial long-term prospects of large public companies, are by contrast a poor indicator of the economic and social disruptions as they have unfolded across the world. To provide a sense of the diversity of the capabilities lost, we draw on the capability indicators initiated by Anand et al (2009) to list some of the capability deprivations that have been documented either in the media or by researchers (Table 1 – see the online Appendix).

The table covers capabilities related to home, work, community, physical environment, and access to services. These elements complement the UNDP projection by showing that impacts of COVID-19 are not only deep but also broad: most if not all aspects of life quality are being impacted. The capability approach is particularly useful by virtue of having a structure that fits empirical data and experiences as well as theoretical criteria. Many of these impacts are due to both government actions and individual decisions and have exacerbated underlying inequalities and deprivation in many countries. Many populations have had to give up certain freedoms temporarily to protect other freedoms that they have reason to value. Key workers in health and beyond have worked under stress and additional risk while people around the world have engaged in visible acts of recognition and even sometimes celebration of these

¹ See also Robyens (2006) on the importance of the practical value of this framework.

achievements Dewey et al (2020). There have even been calls for a rethinking of the directions in which economies and societies are developing though it remains to be seen whether and in what ways these sentiments translate into longer term impacts.²

There are many other ethical questions also. For example, an important principal in medical ethics is do no harm and the evidence from national stay-at-home orders suggests that isolation, mental illness, domestic abuse, the burdens of care-giving, and hunger have been on the rise. Is there a hierarchy of freedoms? In a democracy should the will of the people or the wisdom of political judgement prevail? Is the ethical value of lock-down sensitive to counterfactuals – about what people would, on their own and without government orders, have done? The capability approach helps us identify some of these questions but it could be enriched by further research that develops new empirical or theoretical ways in which these detailed questions can be answered.

There are also significant inequalities within and between countries. The consequences of being unable to make ends meet have varied from increased use of food banks to reverse migrations over hundreds of miles without funds or transport and tragic results in some cases. In some countries, workers including those on low pay and zero-hours contracts have faced reductions in work hours or pressure to work in hazardous conditions without additional protection or pay. By contrast, those on higher incomes have been able to relocate their work to safer—often more remote—settings, mostly maintaining incomes while minimising health risks.

Though impacts have varied substantially between countries, in most the basic capabilities of health, education, housing, nutrition, and social connection have been challenged. Medical staff have been diverted from the provision of other hospital-based services *en-masse* and dental treatment has ceased in many settings. School closures have deprived millions of children around the world the opportunity to learn,³ while the ability to make up for this loss has reflected inequalities ranging from technology access to parental education (Burgess et al, 2020). Core elements of agency and resilience, such as the ability to plan ahead, have been found to be one of the biggest challenges due to COVID-19. Events have shown starkly how we are dependent on physically and socially structured ways of interacting at work, in shops, and other public spaces. Individual capabilities have shown themselves to depend crucially both on a range of individual characteristics from income to resilience as well as a range of collective capabilities as reflected in the diverse abilities to governments to react.

3 The Emerging Policy Response

Actions being taken by governments currently will set the scene for the recovery of capabilities and human development for years to come. Economies are central to livelihoods but it is important to recognise that there has been no ready-made road-map for economies to draw on in these circumstances.

² People tend to be more inequality averse in the health domain compared with others but there is also some reason to hope that memories of this experience will have a long-lasting and positive impact on the expression of pro-social motivations.

³ On March 24, 2020, UNESCO published an estimate that 1.37 billion students, three quarters of all students world wide, were unable to attend school due to COVID-19.

Some of the difficulties that economic policymakers continue to face are well illustrated by developments in the UK where the Central Bank reduced interest rates to their lowest level in four hundred years. Monetary policy had, in recent decades become more prominent, though it is apparent that on its own this might not prevent a large wave of unemployment and so a variety of novel fiscal policies have been introduced. Initially these focussed on support for business through government backed loans but these raised several questions. Firstly, would they be attractive to businesses who might have to spend years paying the loans off with little idea of how long the need would last. Secondly, because they were issued through banks who still had to bear some of the risk, there was evidence that banks were encouraging businesses to take out commercial loans for which they were able to charge significantly more. Because of the initial extreme uncertainty, banks found it difficult to assess the risk.

Finally, concern was expressed that employees were not being given sufficient support. As a result, the government introduced a furlough scheme according to which it paid most of a worker's salary for those not able to work. The scheme was adapted from continental experience and taken up widely to the point where nearly a third of the workforce were covered. The policy was designed to keep workers attached to jobs during what was hoped would be a short period of confinement. It brought social protection together with business support in a way that was novel and supported widely. However, it is now clear that other policies will have to take over as the near universal experience around the world is that economies cannot withstand substantial lockdowns for very long.

In lower income countries, the situation has been even more dramatic, if that is possible. The IMF and World Bank both recognised the severity of the situation early on and are making loan and debt write-offs available. There is also stress being placed on the situation of the poorest and the need to think in terms of connected systems that have been impacted simultaneously and yet depend on each other for their continued existence. Within the EU, and all international economic institutions, the need for inclusive growth has been underlined with calls for solidarity and co-ordination.

We are still trying to learn the lessons from this twin health and economic pandemic but a few points are beginning to emerge. First, our accounts of mixed economies may still not fully articulate the extent to which governments and markets depend on each other. The dearth of economic guidelines for fiscal policy is more troubling under significant crises such as COVID-19. Second and related, public deliberation, for which Sen has persistently argued, is now involving often intense press scrutiny and social media interest that has identified social priorities that might otherwise have been missed. The introduction of the furlough policy represents one example but others, such as discussions with professional groups concerning health services, schooling, food retailing, and a range of charities about problems from homelessness to mental health and the risk of domestic abuse, are not hard to find. These deliberations may have a longer-term impact on the desire of citizens to be involved in active debates about social priorities. Finally, these different dimensions of life quality are connected both at individual and societal levels. School closures have had a significant impact not just on children's learning but also on parent's abilities to balance and integrate work and home life. The economy depends on people being healthy and the ability to provide health

services needs a functioning economy while social and educational deprivations experienced may turn out to be as significant as the health and economic losses.

4 Mapping the Road Ahead

Some Cognitive Challenges for Public Deliberation

Compared with other approaches to policy-making, the capability approach has particularly emphasised the importance of public deliberation. COVID-19 has shown the value of being aware or sensitive to a wide range of concerns within society. The capability approach does not have, as yet, a clear literature on what constitutes successful public deliberation but there are various sources on which it can draw. Based on interests in the foundations of social and rational choice, Sen has drawn attention to models of rationality that did not properly capture the choices a reasonable agent might make. COVID-19 has challenged societies not just in terms of what they know but how also in terms of how we collectively think and decide.

Scientists and political actors have in this pandemic stressed the value of empirical evidence but there are decision problems that must be solved in the absence of full information. Furthermore, when collective decisions must be made under conditions of ambiguity, there are likely to be *blind spots* which reflect less on skills possessed and more on areas of expertise not considered. It is noticeable that countries have varied considerably in how they have defined what knowledge is considered scientific and relevant. The UK for example created a committee which focussed on topics such as virology, epidemiology, and behavioural science, whereas Germany convened disciplines including the humanities and social sciences and Scotland has created a specific group to advise on economic recovery.

Blind spots under conditions of ambiguity are perhaps inevitable and seem to have been prevalent following COVID-19. They particularly affect how societies respond to the needs of those with least voices. Meanwhile, there are positive research, policy and advocacy processes that we can pursue to mitigate these pitfalls. For example, in the field of education, the UK National Education Union (2020) has prepared items for a recovery plan that put the inclusion of those least advantaged first on its list. The list further includes the provision of free school meals, the use of other public buildings, the development of blended learning, the development of fair assessment procedures, access to the internet for child from low income households, and a plan for addressing student wellbeing.

A second set of decision problems relates to *incommensurability*. In some contexts, it may be difficult to make comparative judgements between options, as evident in the debates about the value of social distancing and a choice between lives and the economy. This framing, however, does not appropriately reflect the human development losses involved. A contrast between lives and livelihoods was perhaps more accurate but even then, there seems to be a reluctance to make explicit trade-offs in some cases. Furthermore, the ability to reframe problems from a human perspective is an important policy skill that should not be underestimated. Indeed, it appears to have been an important aspect of New Zealand Premier Jacinda Ahern's widely praised and effective approach.

Two other biases that seem to be particularly important relate to how we respond to change and assess the future. One derives from the fact that people may underestimate the amount

of change required in their calculations or behaviour because they anchor on a known point and adjust insufficiently. One could argue that failing to lock down or unwind lock-downs quickly enough, or being unable to fully social distance from others, are examples of this. A second bias concerns normalcy, i.e., the belief that following a shock, the world will revert to its previous state. Both of these are difficult for public deliberation and wise political leaders will take them into account. It is vital that active dialogue between government and citizens takes place, drawing on inputs from scientific evidence and advice. Equally, as recent events have shown, it is important that we find mechanisms to turn the results of such deliberations into actions that effect real change.

Priorities and Mechanisms

The capability approach has not replaced conventional policy thinking but fiscal policy has already been brought into much closer connection with its intended human and social outcomes in many countries. This approach helps to identify quickly a range of deprivations across all areas of life that are potential targets for policy. Economic policies have shifted quickly from a focus on growth to the short-term protection of employment combined with other core human needs such as housing. Policymaking has been shaped by high levels of public and media interest which may help to avoid the development of blind spots. Its emphasis on individual differences is warranted as different groups within society have had different needs and experiences. Meanwhile, it has not yet fully acknowledged the value individuals place on social resources and interactions. This approach uniquely enables connections between health, decent work, schooling, housing, social life, and political participation.

Rooted in the capability approach, we argue that meeting economic challenges from a people-first perspective helps identify policy priorities across the range of human experience and need. With huge levels of unemployment looming in some countries, entries, exits and relations to labour markets at this scale are likely to have long-lasting consequences for the health and development of individuals, households, and communities. It is widely known that those entering labour markets for the first time during a recession will experience scarring both in terms of longer unemployment spells as well as poorer health. Furthermore, for those who are forced to exit the workforce prematurely, there are risks of isolation and lower incomes in older age. There has also been much discussion of the need for new large-scale government programs to rebuild economic infrastructures. One global priority to be addressed by many countries is the need to develop their low carbon economies. This could be beneficial for jobs if related investments in transport infrastructure, clean power and energy efficient social housing⁴ were accelerated. Such initiatives could contribute to many of the UN sustainable development goals.

There are many important open questions and we conclude by mentioning a couple. The first concerns global economic governance. In the case of the EU, at least, Covid-19 has led to new levels of financial cooperation between member states but it can be argued that truly global and effective co-ordination is required to deal with system challenges that are more than just a set of national problems. Second and related, Stiglitz (2016) has argued that the manner in

⁴ Hills (2012) for example identifies a significant problem of fuel poverty, which, if addressed by improving the environmental efficiency of homes available to those on the lowest incomes, would have benefits for health, for consumption, and the carbon reduction targets.

which technological change is promoted is a key driver of rising inequality around the world and that suitable taxation could be a beneficial remedy. But it can be argued that education, wealth, and trade are helping large digital corporations leverage the technical advantages they already have. Individually these elements are goods: education improves opportunities for employees, wealth improves the standards of living and resilience of households, trade improves consumption possibilities between countries, while technological progress allows for greater efficiency and makes new activities possible. These things on their own expand human capability but in conjunction they are contributing also to a global system that is increasingly unequal and unstable⁵. This is a major challenge to thinking in silos and not one we should ignore if we are serious about levelling up and leaving no one behind.

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⁵ Lockdowns have pushed billions into online activities that have channelled financial benefits into a handful of the world's largest corporations.

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Online Appendix

Table 1. Evidence on the Impacts of COVID-19 on Capabilities

| Dimensions of Life Quality | Illustrative examples of reported impacts |
|---|---|
| I am able to make ends meet | There is evidence, from higher income countries that some were able to save more and spend less while others had to draw on savings or borrowed more ERC (2020). Greater use of food banks has been reported globally. In some countries, there is evidence that significant numbers of migrants who are unemployed and without jobs or savings tried to return home but did not survive the journey Pandey (2020). |
| I am able to socialise with others in the family as I would wish | A study of family impacts in Spain and Italy, Orgilies (2020) where children were confined to the home, found that the experience of trauma was subjective, parental and child stress were correlated, and that children allowed outside, in Italy, fared better. Other reported impacts included irritability, loss of concentration, and additional anxiety. |
| I am able to achieve a good work life balance | At a macro-level there are substantial inequalities as some in front-line services may be working more intensely while others on furlough or who have lost jobs will work less. At the individual level, Wheeler and Gunasekara (2020) highlight a debate as to whether the focus should be on the balance between work or the development of synergies between work and personal life. |
| I am able to enjoy preferred personal relations and feel valued and loved | Social isolation is documented as a growing concern Reuters (2020 May 15) as some are required to shield. Increasing cases of domestic abuse around the world being reported Taub (2020). |
| I am able to share domestic tasks within the household fairly | A US survey shows that twice as many women are more often responsible for cooking and cleaning, child-care and home schooling, Miller (2020). |
| I am able to find work when I need to | Unemployment levels are rising but impacts can be shaped by the extent to which government policies and national laws incentivise job retention. Merkl and Weber (2020) have proposed the use of hiring subsidies. |
| I am able to use my talents and skills at work | Fatigue is widely reported and been argued to derive from the disruption of normal routines, Barr (2020). There is some evidence that working from home can boost productivity for less creative tasks but issues of space, children, privacy and choice suggest that home working will not be preferable in many settings, Gorlick (2020). |
| I am able to work under a good manager at the moment | Conflicts about the provision of personal protective equipment (PPE), additional pay for risk and insufficient sanitation measures have been reported Greenhouse (2020). Schneider (2020) also notes examples of |

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| | employers offering four day working weeks, and virtual yoga and other measures to address mental health issues. |
| I am always treated as an equal and not discriminated against by people at work | Work-place discrimination against workers of Chinese origin have emerged Bectu (2020). |
| I have good opportunities for promotion or recognition at work | Research-based recommendations include the expression of gratitude by senior management for specific tasks, the offer of personal development opportunities as well as the use of online communications to prevent remote workers from becoming disengaged, Nelson (2020). |
| I have good opportunities to take part in local social events | Countries have reported many willing to volunteer as well as difficulties in making use of all the offers of help Hong (2020). Community centers have been required to close thus reducing opportunities for face to face social interaction Leland (2020). |
| I am able to practice my religious beliefs | Places of worship have been closed and replaced with live-streaming of acts of worship Swerling (2020). |
| I am able to express my political views | Limits on freedom of speech have ranged from pressure on clinical workers to not disclose shortages of PPE to the introduction of national powers to criminalise opinions deemed by government to be fake news Mudde (2020). |
| I am able to walk in my local neighbourhood safely at night | Steep drop in many forms of crime but combined with a rise in others including domestic abuse and online fraud, Dodd and Pidd (2020). |
| I am able to visit parks or countryside whenever I want | Benefits of spending time in green spaces has been recognised Walawalkar (2020). |
| I am able to make use of banking and personal services | Closure of bricks and mortar banks and movement towards online services has been accelerated Foreman (2020). |
| I am able to get my rubbish cleared away | Garbage collectors in list of frontline workers at particular risk Gamio (2020). |
| I am able to get tradespeople to fix problems in the house | Non-essential work in some cases has been subject to temporary bans and self-employed providers of such services have lost income. |
| I am able to be treated by a doctor or nurse | Difficulties accessing health services have included the postponement of regular treatments and layoffs of health-service workers, Campbell (2020). Shortages of midwives where nursing staffing diverted to covid related care have been reported. |

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| I am able to get help from the police | Concerns expressed about the overreach or heavy-handedness of policy in many countries, Dodd and O'Carroll (2020). |
| I am able to access legal services or obtain justice | Legal problems have included the inability to meet with solicitors, difficulties obtaining witness signatures for documents, and the suspension of jury trials Giordano (2020). |
| I am able to get to a range of shops | Constraints on shopping include the risks which weigh more heavily on vulnerable groups (older people and those with underlying conditions) as well as inequalities in being able to avoid these by ordering food online or having others to collect food (ITV 2020). |