

Amartya Sen:

“The Conscience of Economics”

A Brief Outline of his Thought

Edward Booth OP

The starting-point for these reflections is the autobiographical essay which Professor Amartya Kumar Sen provided on the occasion of his receiving the Nobel Memorial Prize in Economic Sciences in 1998, which can be found on the Nobel Prize website:

<http://nobel.se/economics/laureates/1998/sen-autobio.html>.

This can be supplemented from another web-site:

<http://top-biography.com/0036-Amartya%Sen/>

An overview of his life and thought

It is impossible to evaluate Sen's thought in terms of pure economics, because his humanism takes his thought into other domains, including philosophy, political theory, sociology and demography.

Born in 1933 into a Hindu academic family in Dhaka, before it became the capital of Bangladesh, he studied at the universities of Calcutta and Cambridge, before teaching in Indian and American Universities, and then at Oxford, before returning to Cambridge on being elected Master of Trinity College. This factual curriculum vitae gives little indication of his taking, from the beginning, a standpoint by which he was perfectly at home in all these settings, creative and judicious in every sphere he entered. In his considerable list of publications, some of modest length, others originally papers or lectures being quite short, and in innumerable articles, one is conscious of a mind which searches out the roots of questions and their interconnections, expressing them in limpid English prose. Sensitive, though not always formally so, to the philosophical dimensions of the material, the resultant thought has a sapiential quality, in which it approximates, for example, to that of the late Belgium Louvain economist, Fernand Baudhuin. One thinks especially of the latter's *Déontologie des Affaires* (Louvain 1960). The latter's range was primarily Western Europe, with extensions mainly into more Eastern Europe and the United States; Sen's range is world-wide, equally at

home in the problems of developing India, of famine-struck Africa, as with those of Western Europe, North America and Asia. He often uses the human factors which accompany the rise of the post-war Japanese economy as a yard-stick to measure the problems of the aging economies of the older industrialised nations.

The older economics was dominated by a desire to simplify econometrics to their starkest simplicity, to observing and projecting the conditions which would optimize the best relationships between land (as raw material was called), labour and capital. Over the last decades, it has been realised that "labour" only meant inputs of undifferentiated skill, and this did not do justice to the qualitative values of all skills, including managerial skills, and relations between employers and employed, and sometimes these were gathered together as "residual factors" and quantified so as to make possible a comparison with the other factors. A simplified evaluation of Sen's economics is that, without abandoning the traditional factors, he has made the human factors, previously undervalued by being described as "residual", as the whole setting for economic description and analysis. A rare analytical competence united with exceptional human sympathy in all economic, political, social and demographic environments, and in their living interrelationships, has produced a corpus of reflections, whose only disadvantage is that its richness overflows the categories and technical competence of the average econometricians to whom the execution of theory in detail is left. Noteworthy is his discernment of these factors in the classical economists, which their simplifying successors have overlooked. For example the importance for Adam Smith of "sympathy, generosity and a public spirit" ("Moral codes and economic success", in S. Brittan and A. Hamlin, *Market Capitalism and Moral Values* (Aldershot and Vermont 1995) p.24). Sen's realism always acknowledges the primary need to adjust cohering factors to each other, rather than to impose the easier solution of treating what is seen as subjectively dominant as unique. He has been described as "the conscience of economics", which may unfortunately leave the impression that he is an external censor, whereas it is the richness and insight of his exceptionally humanistic mode of economics which would make him a living reference-point from which not only can technicalities be judged, but also placed in a more human perspective than their own restricted descriptions suggest.

For the following, the base of selection of his works was the Nobel Prize auto-biographical essay which reduced the course of his thought to a simple pattern. After which it seems necessary to refer to a few additional works.

“Social Choice”:

His developments of a starting point in Kenneth Arrow

He describes his initial attraction to the theory of “social choice” which he found in the writings of Kenneth Arrow. The latter’s *Social Choice and Individual Value* (New Haven 1951) was an attempt, not so much to contribute some flesh and blood as to rationalise behaviour motivations and patterns in the passage from individual tastes to the emergent patterns of social decision-making for both political and economic choices. Finding it impossible to interest Cambridge economists in social choice, he had to settle for a dissertation on “Choice of Capital-Intensity in Development Planning” (so the title of his 1959 dissertation; his autobiographical essay says “it was on ‘the choice of techniques’”), written in one year, while he spent the next two statutory two years of research absent, though technically supervised, with an appointment as Professor of Economics at Javadpur University. A Trinity College prize fellowship gave him the possibility of studying philosophical questions, but, tiring of the “rather sterile debates” at Cambridge, and brought in contact with Paul Samuelson at the Massachusetts Institute of Technology, the most prominent post-war American economist and writer of a standard economics text book of which millions of copies have been sold, he returned to India, teaching economics at Delhi University, and consolidating his own position. Already he had become conversant with the “elegant theory of justice” of the American political thinker, John Rawls, who took the sphere of economics into his conception of “justice as fairness”: a critique of the English utilitarian analysis, and an extension of social contract theory: rejecting the aim of perfect economic and social equality, and enquiring how everyone can benefit from their inequality. Acknowledging his debt to both, he has written “If my work in social choice theory was initially motivated by a desire to overcome Arrow’s pessimistic picture by going beyond his limited informational base, my work on social justice based on individual freedoms and capabilities was similarly motivated by an aspiration to learn from, but go beyond, John Rawls’s elegant theory of justice, through a broader use of available information”.

The first substantial result of Sen’s consolidation of his position in Delhi was *Collective Choice and Social Welfare* (San Francisco etc. and Edinburgh etc. 1970; here we use Amsterdam etc., 1979 edn.). It is self-evidently superior to Arrow’s work in its conception, detailed working-out, and range. Fully aware of the enormous variety, he produced a study concerned, *inter alia*, with the different relations between individual preferences and social choice. He began with a critique of

to consider the family: “Traditional economics of price theory and market behaviour are silent on the family. When the silence is broken, the old results and views turn out to be very insecure. While they can be preserved by some special—and typically far-fetched—assumptions, that is hardly the way to face real challenges. We have to break fresh ground and resist the temptation to try to assimilate the problems of family economics mechanically into some already existing framework, such as competitive market theory” (p.384).

Starting with India, he moved to international comparisons (among less developed countries) in *Commodities and Capabilities* (New Delhi 1987), contrasting well-being with advantage: “Well-being was seen as an assessment of the particular achievements of the person, the kind of ‘being’ he or she succeeds in having. On the other hand, advantage, it can be argued, has also to take note of the real opportunities faced by the person. Assessment of advantage must, in this view, involve “the evaluation of a set of potential achievements and not just the actual one” (p.33). As frequently, he relates his own analysis to the felicific calculus of utilitarianism. “I have tried to argue for looking at the problem of well-being and advantage in a somewhat different perspective from the ones that are typically used. It is, of course, no more than a beginning” (p.45). Appendix B gives Indian illustrations for “Well-being, Functionings and Sex Bias”. For some “general theory” on gender inequality, he refers to his contribution, “Gender and Cooperative Conflicts”, to *Persistent Inequalities, Woman and World Development*, (ed I.Tinker, Oxford 1990). After presenting some elementary relations that could be of relevance in discussing women’s issue in economic developments, he concludes that the matter cannot be subsumed under “bargaining problems” (pp.131-4). “Not only do the different parties [in a family and marriage situation] have much to gain from cooperation; their individual activities have to take the form of being overtly cooperative, even when substantial conflicts exist” (p.147). He is also concerned, that while in “recent development literature there is a growing awareness in gender divisions and of the neglect of women’s well-being ... there is also a danger in seeing a woman, in this context, as a ‘patient’ rather than as an ‘agent’” (p.149).

The Causation and Prevention of Famine

From the mid-1970s he worked on the causation and prevention of famine. In his *Poverty and Famine, An Essay on Entitlement and Deprivation* (Oxford, 1981), the overall thesis challenges the FAD [=food availability decline] approach which is applied to food availability for the population of an entire country, which he describes

as “a gross approach, lacking in relevant discrimination” (pp.157-8). He adds “What is a good deal more gross is the FAD approach applied to the population of the world as a whole” (p.158). He argues that “it is quite possible that severe famine conditions can develop for reasons that are not connected with food production at all. The entitlement approach places food production within a network of relationships, and shifts in some of these relations can precipitate gigantic famines even without receiving any impulse from food production” (ib.). Famines are therefore “Failures of Entitlement” (pp.162-6). Famines can arise in over-all boom conditions (as in Bengal in 1943) as well as in slump conditions (as in Ethiopia in 1974). There is a need to characterise the nature and causes of entitlement failures, when they occur. Therefore there must be a distinction between “decline of food availability and that of direct entitlement to food”. It is not just a question of moving food into an affected area when “what is required is the generation of food entitlement” (pp.164-5).

Economics aligned with political questions— “welfarism”: fairness; liberty; equality

He indicates that at this point he decided to extend the range of his interest to realms conventionally handled as “political theory”. “The social choice problems that had bothered me earlier on were by now more analyzed and understood, and I did have, I thought, some understanding of the demands of fairness, liberty and equality. To get firmer understanding of all this, it was necessary to pursue the search for an adequate characterisation of individual advantage.” His first contributions were published within *The Tanner Lectures on Human Values*. He refers to the first two series in which he contributed, though he contributed to later series (variously published: Cambridge and Utah, Cambridge alone, 1980ff). In the first, given at the Universities of Michigan and Stanford in April, 1979, published 1980, his subject was *Equality of What?* It discusses three conceptions of equality, the first two in connection with “utility”: an economic conception, though variously defined (“a synonym for individual welfare”, “the satisfaction derived from an activity, particularly consumption” &c.), but it is thought out in relation to moral philosophy. Typically he first questions the current economic conceptions: “Even when utility is the sole basis of importance there is still the question as to whether the size of marginal activity [“the satisfaction from the last unit”], irrespective of total utility [“the total amount of satisfaction” in the second definition given above] enjoyed by the person, is an adequate index of moral importance” (p.200). In fact he gives a critique of the human inadequacy of utilitarian analysis [i.e. an

analysis confined to utilities in this economic sense, though with some backward reference to the English utilitarian analysis, which constructed balance sheets of pleasure and pain to adjudge the success or lack of success of actions]. “Even when utility is accepted as the only basis of moral importance, utilitarianism fails to capture the relevance of overall advantage for the requirements of equality. The prior-principle critiques can be supplemented by case-implications using this utilitarian lack of concern with distributional questions except at the entirely marginal level” (pp.204-5). He continues with a critique of economists’ making marginal and total utility belong to the same plane of discourse, whereas marginal is essentially speculative and therefore counter-factual (what additional utility would be generated from one more unit of income), total is not, being dependent on observation. Thus he attacks “welfarism” [economically, a preoccupation with maximising the welfare of society from a consideration of the size and distribution of social welfare], particularly for its weighing pleasures “only according to their respective intensities, irrespective of the source of the activity and the nature of the activity that goes with it” (p.211); liberty, he says, has an “irreducible value” (ib.). “Urgency”, also, is a notion which is dissociated from, i.e. foreign to the consideration of, utility (pp.202-3). Thirdly, he faults Rawls’s conception of primary goods as embodying advantage, rather than taking advantage to be a relationship between goods and persons—which amounts to “fetichism” (p.212). And Rawls takes basic liberties as among primary goods, even though they have a priority: defined on the same index, yet admittedly, because of the liberty principle, without trade-offs between them (pp.213-4). That leads him to the *ad hoc* judgement that neither of the utilitarian conceptions of equality, nor that of his guide Rawls, are valid. He finally opts for a “basic capability equality”: not as the sole guide, but having virtues that the other characterisations do not have. Not at all a final solution, but an opening towards a better basis for “the equality-aspect of morality” (pp.217-220).

Standard of living and the shortcomings of econometrics

Professor Sen also refers to his Tanner lectures at Cambridge in 1985. He gave two lectures on *The Standard of Living*, the first, on “Concepts and Critiques”, the second on “Lives and Capabilities”. He likes to refer to “bundles” of ideas, and here he confronts the contracts, conflicts and even contradictions of the idea. In the first lecture, he distinguished between a conception where different views compete as alternatives (“competitive plurality”), for example pleasure and opulence; and where it is conceived as a “basket of multiple attributes” (“constitutive plurality”) which are non-commensurable. Though he associates the

latter with Plato, Aristotle and John Stuart Mill, he considers the first in order to review the claims of certain traditional approaches. So he reviews positions which have opted for opulence, happiness, desire fulfilment and choice: rejecting each of them as complete, but clarifying and exploring their correlative associations and the causal connections. In the second lecture he considered the many types of functionings and capabilities which produces a constitutive plurality. Here the different conception of well-being as broader and more inclusive begins to open out the different factors. From this arise motivations, with their states of sympathy and commitment. All “beings” and “doings” of a person are relevant to the evaluation of a living standard: an enormous, possibly infinite list. Then we encounter the distinction between self- and standard-evaluation, each of which produce the need for categorial schemata (for example, of subjective and objective features). He points out that grand national product may seem to be inclusive, but functionings and living conditions do not enter into its conception of well-being. Functionings refer to achievement, but they must exclude capabilities as abilities to achieve, and their relationship is extremely important for a sense of well-being, without being quantifiable as the GNP supposedly is. In arguing for the relevance of “unaggregated characterisations of functionings and capabilities, and of partial orderings of aggregated assessments” (p.38), he makes yet another critique of econometric conventions.

In further explanation of this, he adds in his autobiographical essay, “The approach explored sees individual advantage not merely as opulence or utility, but primarily in terms of the lives people manage to live and the freedom they have to choose the kind of life they have reason to value. The basic idea here is to pay attention to the actual capabilities that people end up by having. The capabilities depend both on our physical and mental characteristics as well as on social opportunities and influences (and can thus serve as the basis not only of assessment of personal advantage but also of efficiency and equity of social policies)”. This is important, for it makes an articulation of the relationship of different humanistic concerns in their relation to economics which may have been implicit in his original option of “social choice”, by being relatable to it. Consistency of insight rather than system characterises the thought of Professor Sen, but his constant willingness to set out the basic themes even in the logic of relations shows that the option is informed and strong: like the central intuition of a great philosopher, who also is prepared to expound it in many ways. Similarly, no economic sphere seems to resist his style of analysis.

World Development Economics; the importance of “capability”

Here he indicates another new extension of his thought into philosophical as well as economic reasoning. He refers to a conference of the World Institute for Development Economics Research (WIDER) in Helsinki in 1988 and a collection of essays that resulted from it: *Quality of Life* (edd. M. Nussbaum and A. Sen, Oxford 1993). In his paper, “Capability and Well-being”, which expands those notions beyond their first articulations, he says that “The capability approach is concerned primarily with the identification of value-objects, and sees the evaluative space in terms of functionings and capabilities to function” (p.32). “Evaluative space” not only includes what is potentially valuable, but also negatively excludes (ib.). In this definition by negation, he joins a number of older philosophical traditions. Also important is the relationship he establishes between capability and freedom (pp.33-5). If both terms contain ambiguities, both therefore “must try to capture that ambiguity rather than hide or eliminate it” (pp.33-4). Yet (not least for statistical as well as other classifying purposes) the identification of value-objects involves norms which depend on the purpose of the evaluation. Here his by now very rich analysis includes “agency” goals, which can include those other than the advancement of the person’s well-being (pp.36-8). Capability is more fundamental than achievement because it is a sphere of freedom, and it also makes a distinctive contribution to the analysis of poverty (pp.38-42). Having elsewhere commented on the place of capability in the thought of Adam Smith and Karl Marx, he finally gives a locus in Aristotle’s *Nicomachean Ethics* for his capability approach. “First ascertain the function of man”, after which he proceeds to explore “life in the sense of activity”. Also, while he would exclude exclusive use of Aristotelian norms, which might “eliminate the incompleteness of the capability approach”, his conception of capability would permit other routes to be taken. Nevertheless Aristotle’s conception of the common good goes beyond the particular forms which he gives it, and promotes some conceptions which coincide with his own approach: the rejection of opulence as a criterion of achievement; an analysis of *eudaimonia* in terms of valued activities; the need to examine the processes through which human activities are chosen, which point to freedom (pp.46-8). This, in turn, causes him to reflect on that lack of a complete system in his thought, to which we have referred. That he says that it is no more necessary to resolve the general issues first—to arrive at “exactly one interpretation of the metaphysics of value”—than it is in substantive political and social philosophy (p.49). But in his own domain the

conflict between econometricians and non-econometricians continues, and one appreciates the place which he still finds for the logic (expressed mathematically) of relationships.

***Inequality in all these contexts;
Human Development Reports***

All of his themes were brought together—freedom, achievement, capability, agency, well-being, justice, welfare economics, poverty, class and gender—with the theme of equality in his *Inequality Reexamined* (New York and Oxford, 1992). This was also about the evaluation and assessments of social arrangements in general, and equality depends on them. It can be described as a short, mainly conceptual analysis of his themes, brought together by himself, with some direct bearing on matters of practical concern. The following is the substance of the summary at the beginning of its final chapter. With a methodological aim, he confronted the diversity of human beings, and the “plurality of relevant spaces”. There was a lack of coincidence in different spaces because human beings are diverse. “Equality in one space goes with substantial inequalities in others”. In exploring substantive matters (the bulk of the book) he says: “The particular approach to equality that I have explored involves judging individual advantage by the freedom to achieve, incorporating (but going beyond) actual achievements. In many contexts, particularly in the assessment of individual well-being, these conditions can, I have argued, be fruitfully seen in terms of the capability to function, incorporating (but going beyond) the actual functionings that a person can achieve. The capability approach points to the need to examine freedom to achieve in general and capabilities to function in particular” (p.129). And he goes on to summarise how he has addressed the particular domains listed above.

Professor Sen also refers to his help which was sought by a Pakistani economist, Mahbub ul Haq, who had been put in charge of the *Human Development Reports* of the United Nations Development Programme. The contributions are anonymous, but one strongly suspect his hand in chapter 1 of the 1991 Report: “Measuring human development and freedom”. There is a tiny, much simplified graph contrasting the human development index and GNP per capita for 160 countries (p.13), and a diagram showing the place of male-female disparities in the Human Development Index (p.17). It speaks of a “Human Freedom Index”, and its refinements. The marginal captions: “Human development is incomplete without human freedom” (p.19), “There seems to be a high correlation between human development and human freedom” (p.21), could both refer to his long concern with

freedom in an economic context, and a later book, later than his autobiographical essay, but included in the following works whose themes are relevant to the purpose of this survey, and mentioned below.

Some additional themes of particular interest to Catholics:

So, finally we refer to four works of Professor Sen which should be of particular interest to Catholic readers. The first two are concerned with the relationship between ethics and economics.

a) Ethics and Economics

The first is the text of three Royer Lectures, given in the University of California at Berkeley in April 1986: *On Ethics and Economics* (Oxford (Blackwell) 1987). The first has the title "Economic Behaviour and Moral Sentiments". In it he says, "I am, therefore, not arguing that the non-ethical approach must be non-productive. But I would like to argue that economics, as it has emerged, can be made more productive by paying greater and more explicit attention to the ethical considerations that shape human behaviour and judgement. It is not my purpose to write off what has been or is being achieved, but definitely to demand more" (p.9). The second is entitled, "Economic Judgements and Moral Philosophy". Here he is critical of the state of economics: "... the impoverishment of welfare economics as a result of the distance that has grown between ethics and economics, and particularly ... the inadequacy of the evaluative criteria used in economics, especially welfare economics" (p.51). The final lecture, "Freedom and Consequences", criticises the inadequacy of rights-based ethics expressed in deontic logic, taking the form of constraints that others simply must obey. This, he says, "may not be particularly suitable for focusing on complex problems of pervasive interdependence involved in social morality (including normative economics)" (pp.71-2). He concludes: "... the case for bringing economics closer to ethics does not rest on this being an easy thing to do. The case lies, instead, on the rewards of the exercise. I have argued that the rewards can be expected to be rather large" (p.89).

b) The morality of economic success

The second is a contribution to a Keele Conference in 1993, edited by S. Brittan and A. Hamlin as *Market Capitalism and Moral Values* (Aldershot and Vermont, 1995). Its title is "Moral Codes and economic success". It draws attention to the economic success following on the behavioural codes which characterise the Japanese economy (pp.27-8). Then thinking of Italy and its Mafia corruption he argues that "a code of honour and a sense of duty on the part of businessmen and politicians

can make a real difference to corruption, illegal transactions and the related development of organized crime” (p.29). He concludes, “While there is reason for pessimism about emulated misbehaviour, there are grounds for optimism about imitated honour. If actual behaviour depends on norms, norms too depend on actual behaviour” (p.33).

c) *“Development as Freedom” and Paul VI’s “Populorum Progressio”*

Thirdly, there is the book already mentioned in connection with a United Nations Development Report: *Development as Freedom* (Oxford, 1999). It must be seen as an essay in giving a positive content to freedom which, frankly, was not present in Rawls’s work which was so taken up with analysis and speculation. His concentration is on the substance of freedom, as is clear from his “Final Remark”: “I have tried to present, analyze and defend a particular approach to development, seen as a process of expanding substantive freedoms that people have. The perspective of freedom has been used both in the evaluative analysis for assessing change, and in the descriptive and predictive analysis in seeing freedom as a causally effective factor in generating rapid change” (p.297). The title is eye-catching, just as the caption in the now largely ignored 1967 encyclical of Pope Paul VI, *Populorum Progressio*: “Development is the New Name for Peace” (paras 76-80). Because of the cognateness of peace and freedom, there is room here for a potentially very profitable dialogue between Catholic experts and Professor Sen and his numerous associates.

d) *The World Population Problem*

Finally there are his thoughts on the world population problem. Probably his conception of “family planning” is more extensive than Catholic moral teaching can accept, nevertheless his approach is broader than that of many demographers, whether economists, geographers, or sociologists. v. “What is the nature of the Population Problem and How Can It Be Solved?”, in *Keio Economic Studies* XXXII/2 1995. He summarises his position thus: “Even at the level of international awareness and cooperation, the temptation to advocate a coercive solution is thoroughly counterproductive. It is not needed; it does not achieve very much; and it has many terrible side effects. In fact, it is not particularly helpful even to provide international assistance on the condition that it is used only for family planning programmes, which is sometimes done at the cost of health care and schooling. The absence of planning facilities is one deprivation among others, and the population problem must be seen in more integrated terms. The most effective forms of cooperation are those that contribute to the eradication of social

injustice through more schooling, health care, and gender equality. The solution of the population problem calls for more responsibility and freedom—not less” (p.13).

Sen's Convergence with Catholic Social Thinking

From this review, which touches on the principal development and orientation of his thought, it emerges that there are striking convergences between his thought and that of Catholic social teaching, not only in the details mentioned in the last group of his writings, but also with the humanism of his general orientation, which goes into details far outside the range of formal Catholic teachings, yet seems to correspond with them in spirit. The explanation does not lie in his quoting works which belong to the cluster of disciplines which he has brought together, because his full intellectual formation included quite other academic settings. It comes from the remarkable humanistic cast of his mind, in relation to which he is consistent, and which he expresses in a limpid English: a sure sign of exceptional mastery of the material in his wide overlapping domains.

The ‘Holy Land’, Zionism, and the Challenge to the Church

Michael Prior C.M.

The ‘Holy Land’ is of particular interest to Christians everywhere, an interest intensified whenever they read their Bibles. There God intervened in human history through his dealings with the Israelites, and in the person of Jesus Christ. Jesus was crucified and raised in, and ascended from Jerusalem, and it was there also that the Holy Spirit descended on the Church.

There has been, of course, an unbroken Christian community in the land from the beginning, and it was those residing there who were the architects of a Christian ‘Holy Land’.¹ But Christians outside also have their interests. Well before Constantine, Palestine was a place of pilgrimage. In the middle of the second century, Melito of Sardis went