Chapter - 7

Conclusion
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This journey through several decades of Amartya Sen’s writing on welfare economics and topics related to it has been a rewarding one. I have, of course, followed through a selected number of themes which I found to have implications for his more recent writing. I have also tried to identify certain paradigmatic shifts in his line of thinking at certain points in his long and prolific career.

The biggest such shift in terms of ‘ideological distance’ may be said to be that from a position close to that of Maurice Dobb in his earliest writings on development, when he argued for state intervention in various matters from influencing the rate of saving to choosing more capital-intensive techniques of production in capital-poor developing countries, to a strong defence of the market mechanism in his most recent works. However, I would not put this among the most important conclusions I would like to draw from this study.

Along the way Sen has engaged with some of the greatest minds in the sphere of economic theory and political philosophy. He tells us that his main inspiration in turning to the axiomatic theory of social choice was the work of Kenneth J. Arrow, and especially his Theorem of Possibility. Although much of Arrow’s writing is couched in mathematical terminology, it is constantly informed by clearly expressed conceptions of a liberal capitalist value-system, the philosophical ground on which the neoclassical economic theory is based. The contribution of John Rawls shows that those who accepted this system felt the need to confront the problems of injustice and inequality. This was partly because the existence of the Soviet Union, and the growth of left-wing political movements during the 1970’s raised some problems of legitimacy for the system. John Rawls in A Theory of Justice I took a cautious stand: “A..... significant advantage of a market system is that, given the required background institutions, it is consistent with liberties and fair equality of opportunity.....a system of markets decentralises the exercise of economic power..... It is necessary, then, to recognise that market institutions are
common to both private-property and socialist regimes.... Which of these systems and the many intermediate forms most fully answers to the requirements of justice cannot..... be determined in advance.” (Rawls 1971, pp. 272-4) Even Robert Nozick’s diametrically opposed attempt to outline a system based on historically given rights of property and freedom of occupation was a part of this dialogue.

Sen was uneasy with attempts to justify this system by posing ‘efficiency’ against considerations of ‘equity’, and from the beginning took the position that equity considerations should be given a central importance. By the time he wrote On Economic Inequality in 1973, he had rejected both the utilitarian approach and the Marxist approach to the problem of inequality, although, like many non-socialist economists in the west at the time, he displayed a certain fascination for the experiments being undertaken in China. His involvement with the mathematical formulation of problems of collective choice also led him to accept some of the features of the neoclassical axiomatic formation, although he continued to question some of its assumptions and conclusions.

By the 1980’s Amartya Sen had acquired considerable international stature in the community of economists. Although he retained his identity as an independent academician and never became a part of the international development institutions, he was undoubtedly an intellectual influence on them and in close touch with them. He was thus able to pursue his study of famines which drew motivation from his personal experience of the Great Bengal Famine during his childhood, and published several studies on contemporary famines in many parts of the world. The continued occurrence of famines in the late twentieth century was an alarming and extreme manifestation of inequality and deprivation in a world with rapidly expanding productive power.

The 1980’s saw major changes in prevalent trends of thought, both in economics and in other intellectual disciplines. There was a disillusionment not only with the Soviet model of industrialisation and planning, but also with Keynesian policies of macroeconomic management in the capitalist countries. China embarked on a rapid liberalisation of its economy soon after the death of Mao Zedong in 1978. This was also
the decade when feminism graduated from being a social movement to prompting a new trend in critical thought. Feminist economists were questioning development strategies, and feminists also joined up with new critical paradigms opened up by the work of the French philosopher Michel Foucault and others. At the same time, international financial institutions gained considerable success in influencing government policies in many developing countries, in the direction of opening up their economies to global trade and investment, and reducing government expenditure on a wide number of subjects from public sector enterprises to various subsidies and welfare schemes. As we have seen, inequalities also widened during these years, and it became necessary for international institutions to address the human costs of the policies they were able to impose.

It was during the 1980’s, too, that Sen developed his concept of ‘human capabilities’ as a basis for assessing well-being and posing questions about inequality. Very soon, this innovation found an important and widespread application in the work of the UNDP in bringing out annual reports on Human Development, as a ‘more caring’ counterpart to the World Development Reports brought out by the World Bank. Another development of this time was the gradual dwindling of independent people’s movements, and the growth of “non governmental organisations” as the agency for bringing social change and mitigating some of the extreme forms of poverty and deprivation.

During the 1990’s Amartya Sen came out much more strongly in favour of the prevailing trends in economic policy. This can be seen if we carefully examine his use of words, his emphasis, his slight changes of language when writing of subjects he had dealt with earlier. I have given some examples of these, especially in the fifth and sixth chapters. At the same time, he took an increasing interest in gender issues. At times, with an apt choice of phrase like “missing women”, and the presentation of demographic facts in a compelling manner, he was successful in drawing the attention of policy makers and people in general to some serious social problems. Some of his conceptual innovations like the treatment of cooperative conflict within the family have been useful to feminist scholars in suggesting new lines of research. The Human Development Reports have carried on the practice of every year taking up a new contemporary theme related to the
human aspects of development, and that too reflects the breadth of Sen’s scholarship, at least in spirit. They have been immensely useful to social workers working in grass-roots organisations. They have definitely influenced social policies of governments in some instances.

However, in spite of appreciating Sen’s contribution in these areas, I have serious doubts about many of his theoretical formulations, and have tried to pinpoint these in the different chapters of this thesis. I have mentioned one problem with practical implications: that of indexing of capabilities. A related problem to the choice of weights to be given to different capabilities is that of the choice of indicators. Also, sometimes the indicators come to stand instead of the actual need or capability with its complexities. Sen often uses the terms ‘literacy’ and ‘education’ almost interchangeably. Percentage literacy rates among men and women are used as the indicator of educational attainment in the early HDR’s. Later on, average years of schooling of children was also added. During the 1990’s India for one undertook adult literacy programmes covering a fairly large number of districts. The results of these campaigns show up in improved male and female literacy rates in the 2001 Census as compared to 1991. Overall literacy rates for India, for example, increased by 13.75 percentage points between 1991 to 2001, from 51.63% to 65.38%. However, no nationwide campaign to increase school attendance of children was undertaken in the same period. In fact, Anil Sadgopal has shown how, since 1990, various Indian governments have systematically put in place policies and laws that abdicate the government’s responsibility to provide quality education to all children. Various legislations up to the Constitutional Amendment of 2002 making Education a Fundamental Right, have in fact contributed to a marginalisation of the poor from any state-run formal education conforming to minimal standards.

Sen’s argument that well being cannot be measured in terms of income alone seems attractive. But sometimes he uses examples in a somewhat misleading manner to drive home his point. In Development and Freedom, (p.108) Sen argues: “Empirically, the relationship between income inequality and inequality in other relevant spaces can be rather distant and contingent because of various economic influences other than income
that affect inequalities in individual advantages and substantive freedoms. For example, in the higher mortality rates of African-Americans vis-à-vis the much poorer Chinese, or Indians in Kerala, we see the influence of factors that run in the opposite direction to income inequality, and that involve public policy issues with strong economic components: the financing of health care and insurance, provision of public education, arrangements for local security, and so on.”

But this example is misleadingly used. Both Chinese and Kerala society have achieved greater equality of incomes within their societies, and the African-Americans suffer because of their relative as well as their absolute poverty, because of the large disparities of income within American society. Both China and Kerala have, at some period of their history, undertaken wide-ranging redistributions of income or income-generating assets like land. This example serves to underline another point: statements about inequality are perhaps more meaningful within nations or states having some commonalities of public policy and culture. The difficulties of making international comparisons of poverty even on the basis of real income have been pointed out by Pogge and Reddy in the paper cited in Chapter 5. Making international comparisons based on human capabilities is perhaps a worthwhile exercise, but it is surely not necessary to go as far as Martha Nussbaum and try to define what a meaningful human life is.

What really needs to be discussed, therefore, is the nature of the exercise that Sen has undertaken in proposing ‘human capabilities’ as the preferred basis for making evaluations of well being, and, by implication and in practice, making international comparisons too. Chantal Mouffe’s remarks about Rawls in The Return of the Political apply to Sen as well (p.53) : “Discourses about justice are part of (the struggle characteristic of modern politics) because, by proposing competing interpretations of the principles of liberty and equality, they provide grounds of legitimation for different types of demands, create particular forms of identification, and shape political forces.”

Mouffe continues (p.57) : “Political philosophy in a modern democratic society should not be a search for foundations but the elaboration of a language providing us with
metaphoric redescriptions of our social relations. By presenting us with different interpretations of the democratic ideal of liberty and equality, it will not supply metaphysical foundations for the liberal democratic regime (they cannot exist and it does not need any), but it could help us to defend democracy by deepening and extending the range of democratic practices through the creation of new subject positions within a democratic matrix.” And (p.55): ”(Rawls’) reliance on a liberal individualistic conception of the subject impedes him from thinking of the subject as discursively constructed through the multiplicity of language games in which a social agent participates.....he affirms (1985) that Justice as Fairness is not a ‘right-based’ but a ‘conception-based’ or ‘ideal-based’ theory since it is based on intuitive ideas that reflect ideals implicit or latent in a public culture of a democratic society.”

Sen’s dialogue with feminist scholars seems to have been a mutually rewarding one. The relative deprivation of women, especially women in Third World countries in terms of capabilities has give Sen a fertile subject for investigation, and, as with the notion of ‘missing women’, he can perform the valuable task of drawing public attention to alarming realities. His analysis of cooperative conflict within the family and the importance of ‘perceived interest’ has also great potential usefulness in opening up new areas of investigation. In India, the ‘perceived interest’ and ‘perceived contribution’ of women also has an important caste dimension, as I have tried to emphasise elsewhere. However, for reasons that I hope I have by now thrown some light on, I do not think that feminist scholarship has much to gain from the concept of human capabilities and the analytical framework that Sen proposes.

With these remarks I end my study of an eminent economist, whose firm insistence that questions of ethics must be an integral part of the study of economics is something we should all be grateful for.

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Aurangabad, September 2004.
References

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