

Development as Freedom Amartya Sen Oxford University Press 1999

Summary by Valerie Iles in 2001

Introduction

Development can be seen as a process of expanding the freedoms that people enjoy. And if freedom is what development is about then it makes sense to concentrate on that rather than on some of the means or instruments of achieving it.

This approach contrasts with others such as identifying development with the growth of GNP, rise in personal incomes, or with industrialisation, technological advance, or social modernisation. These are all important but are means and not ends.

Freedoms depend also on other determinants e.g. social and economic arrangements (e.g. education and health facilities), political and civil rights.

Development requires the removing of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as well as social deprivation, neglect of public facilities as well as intolerance. The world has unprecedented opulence and yet denies freedoms to vast numbers of people.

There is a pivotal difference made by pursuing a view of development as an integrated process of substantive freedoms that connect with one another. 8

Freedoms are not only the primary ends of development, they are also among its principal means. There are five distinct types of freedom, seen in this instrumental perspective: 1. political freedoms, 2. economic facilities, 3. social opportunities, 4. transparency guarantees, 5. protective security.

Chapter 1. The perspective of freedom.

The usefulness of wealth lies in the things it allows us to do – the substantive freedoms it helps us to achieve. but this relation is neither exclusive (there are other influences on us than wealth) nor uniform (since the impact of wealth on our lives varies with other influences).

Freedoms involve both processes (libertarians) and opportunities (consequentialists)

Poverty and inequality

Income deprivations and capability deprivations often appear correlated but it is important to avoid being mesmerised into thinking that taking note of the former would somehow tell us enough about the latter. The connections are not that tight, and the departures are often more important from a policy point of view 20

If we shift our attention from income to capability deprivation we can better understand the poverty of human lives

Incongruity in contemporary European attempts to move to a more 'self-help' social climate without devising adequate policies for reducing the massive and intolerable levels of unemployment that make such self help extremely difficult – because it leads to losses of self reliance, self confidence, and psychological and physical health.

Income and mortality

African Americans are more wealthy than people in much poorer regions such as China, Kerala and Sri Lanka, Jamaica, Costa Rica. But their life expectancy is shorter. The causal influences on these contrasts include social arrangements and community relations such as medical coverage, public health care, school education, law and order, prevalence of violence etc

When William Petty pioneered both the income method and the expenditure method of estimating national income he was explicitly concerned with the Common Safety and Each Man's particular Happiness. He was concerned with assessment of people's living conditions. So this approach reclaims some of the heritage of professional economics.

Markets and Freedoms

There are two arguments in favour of the market mechanism, and they need to be separated out.

1. People have a right to undertake transactions and exchange. Restricting this is a direct reduction in freedom.

2. Markets typically work to expand income and wealth and economic opportunities and so restricting market mechanisms leads to a reduction in freedoms as a *result*.

The discipline of economics has moved away from focusing on the value of freedoms to that of utilities, incomes and wealth.

John Hicks: The liberal or non-interference principles of the classical (Smithian or Ricardian) economists were not in the first place economic principles; they were an application to economics of principles that were thought to apply to a much wider field. The contention that economic freedom made for economic efficiency was no more than a secondary support What I do question is whether we are justified in forgetting, as completely as most of us have done, the other side of the argument. e.g. Slaves life expectancy and wages were just as high as many other peoples and yet no-one chose that way of life when given a choice.

Tradition, culture and democracy

Participation is central here. Economic development of a nation may lead to loss of traditions and cultural heritage. Others may say it is better to be rich and happy than impoverished and traditional. But where is the source of authority and legitimacy – it is a choice the people involved have to face and assess.

Chapter 2. The ends and the means of development

Two general attitudes to the process of development found in professional economic analysis and public discussions:

1. it is a fierce process with much blood sweat and tears, where wisdom demands toughness, and a calculated neglect of 'soft-headed' concerns such as social safety nets, social services, 'too early' political rights, civil rights and the luxury of democracy.

2. it is a friendly process exemplified by such things as mutually beneficial exchanges (Adam Smith), social safety nets, political liberties, social development etc

This book supports the latter, seeing freedom as both the primary end and the principal means of development.

e.g. "is political participation and dissent conducive to development?" – development includes that freedom of political participation.

So freedom is intrinsic and instrumental to development. Different kinds of freedom interrelate with one another, and freedom of one type may greatly help in advancing freedom of other types.

Instrumental freedoms:

political freedoms – including civil rights – the opportunities people have to determine who should govern and on what principles, the possibility to scrutinise and criticise authorities, freedom of political expression and uncensored press, choose between political parties etc

economic facilities - opps to utilise economic resources for the purpose of consumption or production or exchange. Economic entitlements will depend on resources owned or available for use, conditions of exchange. Availability and access to finance important here.

social opportunities – arrangements society makes for education, health care etc – to help people to live better – this helps them to participate in economic and political activities as well as being a good thing in its own right.

transparency guarantees – the openness that people can expect when dealing with one another

protective security – to prevent people on the verge of vulnerability from succumbing to deprivation – e.g. fixed institutional arrangements such as unemployment benefits, and ad hoc arrangements such as famine relief.

Interconnections and complementarity

Japan a pioneer of economic growth – had a higher rate of literacy than European in mid 19C. so not true to say that human development (health care education etc) is a luxury that only rich countries can afford – it's a way of them becoming rich.

China India contrast

Both making efforts to move towards a more open and internationally active market economy – India since 1979, China since 1991. China previously very sceptical about markets but very pro education and health care. so literate population. India had a half-illiterate population and neglect of basic health care for a large proportion of its population.

China lacks political freedoms – and that is manifest in lack of flexibility of economic policy –leading to famine – the largest in recorded history (30m in the wake of the Great Leap Forward 1958-61). India has not had a famine since independence – the protective power of democracy.

Growth mediated social arrangements

On the basis of intercountry comparisons it is possible to say that life expectancy is correlated with GNP per head, but this relationship works through the impact of GNP on

1. the incomes specifically of the poor
2. public expenditure on health care

Indeed if these two variables are included on their own little extra explanation is obtained by adding gnp per head.

In east Asia and south east Asia widespread economic participation has been easier to achieve than in say Brazil, India or Pakistan, because of basic education, health care, and early completion of effective land reforms.

Two interesting contrasts here:

1. countries with high economic growth – contrast between a. those with success in raising length and quality of life (S.Korea and Taiwan) and b. those with less success (Brazil)
2. for economies with success in raising length and quality of life the contrast between a. those with great success in high economic growth (S>Korea and Taiwan) and b. those without much

success in high economic growth (Sri Lanka, pre reform China, Indian state of Kerala). Here this is not growth led but support led – through education, health care and other social arrangements.

Can ask the question whether poor countries can afford a support led process – but it is in these countries that the relevant social services are very labour intensive and thus relatively inexpensive in low wage economies. It is of course better to have high incomes as well since there are other freedoms that low incomes remove. Can be over convinced by longevity argument.

Mortality reduction in 20C Britain

Two periods of remarkably fast expansion of support oriented policies this century: during the two world wars. Much greater sharing of health care and the limited food supply. Led to huge improvements in life expectancy, even though per capita availability of food decreased cases of undernourishment also declined sharply.

Democracy and political incentives

Famines are very easy to prevent if a govt tries to prevent them and a govt in a multiparty democracy with elections and free press wants to prevent them.

Chapter three – Freedom and the foundations of justice

Anapurna and the gardeners – Dinu poor – income egalitarian case

Bishanno depressed – utilitarian case

Rogini ill- quality of life case.

Which you choose depends on the informational base you choose

Included and excluded information.

utilitarian approaches must focus on utilities only – i.e. pleasure or happiness or satisfaction (mental achievements) Bentham

Libertarianism assesses situation through info on compliance with certain rules of liberty and propriety

Injustice – in utilitarian view injustice leaves people less happy than they need be.

Property rights – some see advantages in restricting rights of ownership, others are repelled by the inequality of this – utilitarians would look at consequences – incentive v entrenchment (broadly).

three problems with utilitarian approach:

1. doesn't take account of distributional injustice
2. neglects rights, freedoms etc
3. mental well being can be modified through conditioning.

In modern use of utility in contemporary choice theory its identification with pleasure or desire fulfilment has been largely abandoned in favour of seeing utility simply as a numerical representation of a person's choice. This change has occurred (not because of problems of mental adjustment but) mainly in reaction to the criticisms that interpersonal comparisons of different peoples minds were meaningless from the scientific point of view. Robbins argued there are 'no means whereby such comparisons can be accomplished'. Economists convinced themselves there was something methodologically wrong in using interpersonal comparisons of utilities ----→ a person's preference.

John Rawls and the priority of liberty

Differences in age, gender, special talents, disability, proneness to illness and so on can make two different persons have quite divergent opps of quality of life even when they share exactly the same commodity bundle. This limits the usefulness of real-income comparisons for judging different persons respective advantages. There are five distinct sources of variation between our real incomes and the advantages – well being and freedom- we get out of them.

1. personal heterogeneities – illness or disability may mean we need to spend more money to achieve same quality of life.
2. environmental diversities – climate, presence of infectious diseases, pollution etc
3. variations in social climate – conversion of personal incomes into quality of life depends on social conditions e.g. educational arrangements, crime, violence, epidemiology, community relationships..
4. differences in relational perspectives – e.g. being relatively poor in a rich country, being able to appear in public without shame (Adam Smith)...
5. distribution within the family – gender, age, perceived needs ...

Incomes resources and freedoms

Poverty defined as simple shortage of income is a start, but must not end there.

Weights valuation and social choice

There is an interesting choice here between ‘technocracy’ and democracy’ in the selection of weights. A choice procedure that relies on a democratic search for agreement or a consensus can be extremely messy, technocrats pine for some wonderful formula that would give ready made weights, it doesn’t exist since the issue of weighting is one of valuation and judgement and not of some impersonal technology. 79

There is a strong methodological case for emphasising the need to assign explicitly evaluative weights to different components of the quality of life (or of well-being) and then to place the chosen weights for open public discussion and critical scrutiny. In any choice of criteria for evaluative purposes there would be not only use of value judgements but also use of some judgements on which full agreement would not exist. This is inescapable on a social choice exercise of this kind.

Could use a traditional procedure of interpersonal comparisons in income spaces supplemented by capability considerations (often in informal ways).

Alternatively could use the incomes but appropriately adjusted.

Chapter 4 Poverty as capability deprivation

Poverty must be seen as the deprivation of basic capabilities.

There is often an association between income deprivation and adversity in converting income into functionings – e.g. age, disability, illness.

Relative deprivation in terms of incomes can lead to absolute deprivations in terms of capabilities (e.g. being poor in a rich country: in a rich country more income is needed to buy the commodities to achieve the same social functioning. Adam Smith understood this. Smith was concerned with the interests of the poor and was outraged at the tendency for those interests to be neglected – he introduced us to the ‘impartial spectator’.

Conflict between aggregative and distributive approaches. Some compromises e.g. $A > B >$ Atkinson’s ‘equally distributed equivalent income’ – adjusts aggregate income by reducing its accounted value according to the extent of inequality in income distribution.

If focus only on inequality Western Europe appears to have done much better than the US . But if we think about unemployment the picture is very different. Much more in Europe than in the states. This too is inequality. Underlying this is a difference in attitudes to social and individual responsibility. Inequality in mortality important too. health care is important here.

in 1991 there were 52 countries where life expectancy at birth is less than 60 years. All but 6 of these are in South Asia and Sub Saharan Africa.

Infant mortality is strongly associated with adult literacy., especially female literacy. India produces more food than Africa but it is in 'India that there is more under nourishment. Premature mortality is a third kind of capability deprivation.

'I have not attempted to produce an aggregate measure of deprivation based on weighting the different aspects of capability deprivation. A constructed aggregate may be far less interesting for policy analysis than the substantive pattern of diverse performances.

Gender inequality and missing women

In Europe and north America women outnumber men, 1.05 to 1. In asia and north Africa the ratio is 0.95 to 1. More boys than girls are born everywhere but women are hardier than men and given symmetrical care they survive better (even as foetuses). There are millions of women missing. Why? Excess mortality of those of child bearing age is one reason. Doesn't explain numbers of children missing. Infanticide could not account for the numbers. The main culprit appears to be the comparative neglect of female health and nutrition, especially but not exclusively during childhood.

Chapter 5 – Markets, State and Social Opportunity

It is the customary fate of new truths to begin as heresies and to end as superstitions – T H Huxley In Science and Culture.

The need for critical scrutiny of standard preconceptions and political economic attitudes has never been stronger. Today's prejudices in favour of the pure market mechanism need to be carefully investigated and partly rejected. 112

People have tended to argue for markets on the basis of their results. But the more immediate case for the freedom of market transaction lies in the basic importance of that freedom itself. We have good reasons to buy and sell, to exchange, and to seek lives that can flourish on the basis of transactions. To deny that freedom in general would be a major failing of a society.

We often overlook the ubiquitous role of transactions – we take them for granted. There is an analogy here with the rather under recognised role of certain behavioural rules in developed capitalist economies (with attention focused on them only when aberrations occur).

The failure of bureaucratic socialism in eastern Europe and the soviet union cannot be grasped merely in terms of economic problems. In fact many of them are now in a worse position than they were under communism. Friedrich Hayek's description was 'the road to serfdom' – because of the lack of freedom to exchange.

The freedom to exchange relies on social conditions too – women being allowed to work outside the home e.g.

Markets and efficiency

In the absence of imperfections classical models of general equilibrium have been used to demonstrate the merits of the market mechanism in achieving economic efficiency. Pareto optimality – a situation in which the utility of no-one can be raised without the utility of someone else being reduced. But you could question whether the efficiency should not be accounted in terms of individual freedoms rather than utilities. You can also show that a competitive market equilibrium guarantees that no-one's freedom can be increase any further while maintaining the freedom of everyone else. Usually in this analysis have to assume that everyone is operating entirely in their own selfish interest. But don't have to. Looking at freedoms instead means that people can then choose how to use their freedoms – for themselves or for others.

But the arguments about market efficiency do not say anything about the equity in the distribution of freedoms.

The problem of inequality is greater if you are considering freedoms rather than incomes because there is some coupling of income inequality with unequal advantages in converting income into capabilities. So there is an income earning capability and an income using capability. Need to consider efficiency and equity simultaneously – because if pursue one or other alone you jeopardise the other.

Adam Smith saw the need to understand the working of markets as an antidote to the arguments standardly used by vested interest against giving competition an adequate role.

Pareto: lots of people giving a franc to one person receiving lots of francs – the one will pursue this with a greater vigour than the many will resist it. Public discussion helps to highlight aberrations against the market of this kind. Another example of complementarity.

Do need some restrictions. But need to keep them under scrutiny.

So we need a many sided approach – a 'comprehensive development framework' (World Bank). So don't go just for liberalisation... but aim to make simultaneous progress on a number of fronts, including institutions, which reinforce each other. These are often harder to sell than simpler approaches. India has gone for liberalisation, ignoring social opportunities, China has gone for social opps while ignoring democratic liberties.

This is especially important when thinking about public goods that people consume together rather than separately .e.g. environmental preservation, epidemiology and public health care. (malaria eradication). Market mechanism is geared towards private goods, not these public ones. Some are mixed – e.g. education – the benefits are both private and public. So shouldn't rely fully on the market for things like education and public health care.

Any pure transfer – e.g. unemployment benefit – can have an effect on the incentive system of the economy. Need to know what effect it has. But hard to find indicators that are both relevant for identifying deprivation and , when used as the basis of public support, would not lead to any incentive effects. Capability deprivation better than income as a measure here too. So measure functionings such as longevity, health status, literacy..). These can then be the basis for targeted govt intervention.

Inflation – need to keep in view the likely costs of tolerating inflation against the costs of reducing it or of eliminating it altogether. Does it make sense to give absolute priority to one objective only – inflation avoidance. The making of public policy had to give real priority to eliminating the capability deprivation that severe unemployment entails.

In India there is a failure in public policy in the extreme neglect of literacy – half of the adult population and two thirds of adult women. In east asia and southeast asia the financial system needs extensive regularisation. Calls for financial conservatism must be seen in these contexts. Those who see themselves as financially conservative should invest in human development – this is the most prudent course.

Chapter 6 – the importance of democracy

The connections between political freedoms and the fulfilling of economic needs are not only instrumental but also constructive. The success of the east asian economies have been well studied and are thought to be rooted in: openness to competition, use of international markets, a high level of literacy, and school education, successful land reforms, public provision of incentives for investment, exporting and industrialisation. None of these policies is inconsistent with democracy.

Do poor people care about democracy and political rights?
Lots of evidence that they do – India under Indira Gandhi, slaves in the US etc.

Constructive role of political freedom

Political rights makes it more likely that there will be a policy response to economic needs and that the conceptualisation (including comprehension) of economic needs may need the exercise of these rights. A proper understanding of what economic needs are requires discussion, debate, criticism, interchange. Public discussion has an important role to play in the reduction of high rates of fertility – e.g. in Kerala where the rate is 1.7. (cf England) and cf China 1.9 where there is coercion.

The intrinsic relevance, the protective role and the constructive importance of democracy can be very extensive.

Democracy has been especially successful in preventing those disasters that are easy to understand and where sympathy can take on an immediate form. Many other problems are not quite so accessible. e.g. India's success in eradicating famines is not matched by that in eliminating regular undernutrition.....

Chapter 7 Famines and other crises

Crisis= sudden eruption of severe deprivation for a considerable section of the population (e.g. recent east and south east Asian economic crises)

In analysing hunger it is crucial to understand the causation of famines in an adequately broad way, and not just in terms of the some mechanical balance between food and population. It is the substantive freedom of the individual and the family to establish ownership over an adequate amount of food that is important. a person may be forced into starvation even when there is plenty of food around if he loses his ability to buy it.

Even when food supplies fall sharply everyone can be saved from starvation by a better sharing of the available food.

Undernourishment, starvation and famine are influenced by the working of the entire economy and society – not just food production and agricultural activities. The ability to acquire food has to be earned. We need to know the entitlement that people enjoy – the commodities over which she can establish her ownership.

Three things are relevant to this: 1. endowment – for most people this is only labour power. 2. production possibilities – technologies and knowledge determine this. 3. exchange conditions – these can change swiftly and dramatically in an economic emergency leading to a famine. It only takes an initial small change in a part of the economy to cause a famine claiming millions of lives e.g. Bengal 1943. There need be very little fall in the aggregate supply. Administrators of territories tend to look at the aggregate and to blame the victims. Democracies don't allow this, there is an opposition party clamouring for action.

The numbers involved are often small proportions of the total population even if the numbers are large – so the purchasing power needed to ward off the famine is small. So famines are relatively easy to avoid – so there has never been a famine in a democracy. It is often done by creating large numbers of temporary jobs. A free press is important so that people get to know – one of the causes of the massive famine after the great leap forward in China – 1958 – 61 was that the centre did not know what was happening in the provinces – they relied on messages from people in whose interest it was to distort the message – that doesn't happen with a free press.

Chapter 8 – Women's agency and social change

Traditionally women's movements have concentrated on well being of women, now we need to focus also on the agency of women.

The limited agency of women seriously afflicts the lives of all people. Agency can remove the iniquities that depress the well being of women. Well-being is strongly influenced by such variables as women's ability to earn an independent income, to find employment outside the home, to have ownership rights, literacy, be educated participants in decisions within and outside the family.

Perceptions of entitlement are affected by these, so is child survival, fertility reduction too. (Scarcity of violent crimes is greater when female-male ratio is higher).

Chapter 9 – Population, food and freedom

World population rising so fear that there will be a reduction of food production per head is worth thinking about. Is it justified?

Malthus published his Essay on Population in 1798 when the population was less than a billion people, now have six times that number. The largest population increases have come in the world's most densely populated areas. But the rate of expansion of food production has outpaced the increase in population. It varies over time but the trend is clearly upward.

Economic incentives and food production

Lower food prices reduces the incentive to produce food and yet the rise in world food production has taken place with sharply declining trend in world food. But the biggest rises in production have been in places like India and China which are relatively insulated from world prices.

But we mustn't look at food production without considering food entitlement

Population growth and advocacy of coercion

Widespread concern that the increase in population must not continue, so many advocates of coercion to keep birth rates low. Is this acceptable? Without it will birth rates be too high? Is it likely to be effective and work without harmful side effects?

There is a body of opinion about reproductive rights. The rhetoric of rights is omnipresent in contemporary political debates. Often ambiguity about whether the rights have juridical force or

whether they are normative rights which can precede legal empowerment. That rights can have the latter force has been denied by many political philosophers including Jeremy Bentham (who described natural rights as nonsense and the concept of natural and imprescriptible rights as 'nonsense on stilts'). Consequentialists and libertarians differ in their approach to rights. Sen argues for a consequential system that incorporates the fulfilment of rights among other goals, so you do not have to choose between the two approaches.

Before Malthus the French mathematician Condorcet, a great enlightenment thinker, first presented the core of the scenario that underlies the 'malthusian' analysis of the population problem – the increase in the number of men surpassing their means of subsistence resulting in either a continual diminution of happiness and population, a movement truly retrograde, or, at least a kind of oscillation between good and evil. But the two men disagreed in their views about fertility behaviour. Condorcet anticipated a voluntary reduction in fertility rates and predicted the emergence of new norms of smaller family size based on the 'progress of reason'. He imagined a time when people will know that, 'if they have a duty to wards those who are not yet born, that duty is not to give them existence but to give them happiness'.

Malthus foresaw economic compulsion as the result and advocated forced reduction in fertility rates to avoid catastrophic famines etc.

What has happened? Fertility rates have come down sharply with social and economic development. Fertility rates remain highest and relatively stationary in the least privileged countries. So 'development is the best contraceptive'. Yes but need a more discriminating analysis to see what aspects of development lead to this. Is it economic or social development? Theorists on both sides. Gary Becker is an example of the economic theorist, these see changes in the number of children desired by a family as the result of the influence of changing costs and benefits. Social theorists point to changes in preferences as a result of social development such as expansion of education in general (Becker thinks of this as investment decisions made on the part of the family to improve the 'quality' of children), and female education in particular.

The existence of birth control facilities is also an issue, and the dissemination of knowledge and technology. e.g. the sharp decline in Bangladesh is linked to the family planning movement. Rates there have declined from 6.1 to 3.4. in a decade.

In a multi variable analysis (Murthi, Guio, Dreze) the only variable seen to have a statistically significant impact on fertility are female literacy and female labour force participation. These are much more important than income levels. These appear to work through increasing a woman's decisional autonomy within the family.

Does coercion work? Lots of concerns about coercion – the loss of freedom, the consequences including the impact on neglect of female children, its stability. But also whether or not it works. China's rate is now 1.9 and may be the result of longstanding social and economic programmes, health care with more job opportunities for women, and rapid economic growth. To find out we should compare this area with a similar area without the coercion – Kerala. There the rate is even lower – 1.7. And there are no adverse effects such as heightened female mortality and abortion of female foetuses. Neither has it taken longer to achieve this. The fall is from 4.4 in the 1950s – similar to that of China. But China only introduced the one child policy in 1979 – what are those comparisons like? In 1979 Kerala had a higher birth rate than that of China (3.0 v 2.8). Good results too in Tamil Nadu, with social devt and without coercion. Other Indian states have lower levels of education, especially female, and of health care. These have higher fertility rates in spite of tendency to use heavy handed methods

of family planning including some coercion. Coercion can have a backlash too, with attendance for family planning reduced after a period of coercion.

Thus the solution to the population problem lies in expanding the freedoms of the people who are most affected – young women.

Chapter 10 – Culture and Human Rights

The rhetoric of human rights is much more widely accepted today, but meets some real scepticism.

There are three main critiques:

1. The legitimacy critique

Rights have to be acquired through legislation, they aren't born with rights any more than they are born fully clothed.

2. The coherence critique

If someone has a right to some x then someone else must have a corresponding duty to provide that person with x. If no-one has that duty then no-one has that right.

3. The cultural critique

Do all cultures have the same attitude to rights? – surely many, including many Asian ones, do not value them.

1. It may be best to see human rights as a set of ethical claims which must not be identified with legislated legal rights. But they can still be useful as a system of ethical reasoning and the basis of political demands.
2. Kant – a 'perfect obligation' is when A has a right to x and B has the duty to provide it. But it may not be the specific duty of any one person but generally addressed to all who are in a position to help. Kant called these 'imperfect obligations'. They may therefore go unfulfilled but there is a difference between a right that is unfulfilled and a right that a person does not have.
3. There is great diversity in Asia and you cannot generalise about the culture in the way some authoritarians choose to do. e.g. in Japan with a population of 124 million there are 112 Shintoists and 93 million Buddhists. Cultures and traditions overlap and there are vast variations.
4. Confucius' ideas were much more complex and sophisticated than the maxims often championed in his name. Similarly the Indian emperor Ashoka was a great universalist, egalitarian and tolerant. Kautilya, a contemporary of Aristotle was a narrow kind of consequentialist, but even so identified the duty of the king to provide the orphans, the aged, the afflicted and the helpless with maintenance.

Islamic tolerance is also renowned. e.g. Akbar, the Mughal emperor in 1556-1592 emphasised the acceptability of diverse forms of social and religious behaviour and accepted freedom of worship and religious practice. Turkish emperors too were often more tolerant than their European counterparts.

Globalisation: economics, culture and rights

The contemporary world is dominated by the West. The threat to native cultures is to a considerable extent unstoppable. The one solution that is not available is that of stopping the globalisation of trade and economies, since the forces of economic exchange and division of labour are hard to resist in a

competitive world fuelled by massive technological evolution. There is a problem here because even if the aggregate figures move up rather than down there will be winners and losers (as Adam Smith foresaw). The appropriate response has to include concerted efforts to make the form of globalisation less destructive of employment and traditional livelihood, and to achieve gradual transition. There also have to be opportunities for retraining and acquiring of new skills, in addition to providing social safety nets.

So the world of modern communication and interchange requires basic education and training – some poor countries have made great progress here but equity between countries is an issue. Also old traditions may be lost: ways of life can be preserved if the society decides to do that and an analysis of the costs and benefits needs to be made. The people concerned are the ones who need to participate in public discussions of this so they need to have political rights, information, etc.

The culturally fearful often take a very fragile view of each culture and tend to underestimate our ability to learn from elsewhere without being overwhelmed by that experience. WE need more sophistication in understanding cross-cultural influences as well as our basic capability to enjoy products of other cultures and other lands. WE must not lose our ability to understand one another and to enjoy the cultural products of different countries in the passionate advocacy of conservation and purity.

The west must lose its claim to uniqueness in tolerance etc. The only religion that is firmly agnostic is asian in origin – Buddhism.

Chapter 11 – Social choice and individual behaviour

Aristotle agreed with Agathon that even God could not change the past. But he thought the future was ours to make. this could be done by basing our choices on reason. For this we need an evaluative framework and institutions that work to promote our goals and we need behavioural norms and reasoning that allow us to achieve what we are trying to achieve. There is scepticism of the possibility of reasoned progress and there are three lines of this scepticism.

1. Given the heterogeneity of preferences and values that different people have it is not possible to have a coherent framework for reasoned social assessment. Ken Arrow's impossibility theorem is invoked here.
2. We don't have the ability to get what we intend to have – there are always unintended consequences and these dominate history.
3. what is the range of human values and behavioural norms – can we go beyond narrowly defined self interest?

So are values and reasoning relevant in the enhancing of freedoms and in achieving development?

1.Arrow provides a general approach to thinking about social decisions based on individual conditions and his theorem shows that what is possible and what is not turns crucially on what information is taken into account in making social decisions. We need information broadening. This has resulted in a field of 'social choice' literature.

2.Smith was deeply sceptical of the morals of the rich. His great insight was that people didn't have to intend to do good for good to get done. Unintended consequences (those that are not part of my intentions) can be predictable or unpredictable. So there is a distinction between unintended and unanticipated. We must therefore try to anticipate all likely consequences intended or not.

3.Importance of evolutionary psychology here – self-interest is very important but not exclusively so. The Smith concept of what would an impartial spectator make of it is still useful.

Successful markets operate the way they do not just on the basis of exchanges being ‘allowed’ but also on the solid foundation of institutions and behavioural ethics. The development and use of trust can be a very important ingredient of market success. That something other than the unleashing of greed is involved in the emergence and development of the capitalist system was clear to the early defenders of capitalism. Even those early commentators such as Montesquie and James Stuart who saw capitalism as a kind of replacement of passions by interest tended to draw attention to the fact that the pursuit of interest in an intelligent and rational way can be a great moral improvement over being driven by fervour, craving and tyrannical propensities.

Despite its effectiveness capitalist ethics is deeply limited in some respects, dealing particularly with issues of economic inequality, environmental protection and the need for cooperation of kinds that operate outside the market. But within its domain it works ...through a system of ethics that provides the vision and the trust needed for successful use of the market mechanism and related institutions.

Plato/ Jane Jacobs type stuff here. (i.e. different kinds of situation/decision require different types of behaviour and these need to be kept distinct from each other, if the two become muddled together they form a sort of ‘monstrous hybrid’ that yields monstrous results. See Systems of Survival by Jane Jacobs). Corruption etc. Adam Smith saw the need for established rules of behaviour.

So can’t see capitalism as a system of pure profit maximisation. Need organisations to enforce behaviours too.

Chapter 12 – individual freedom as a social commitment

Interdependence between freedom and responsibility – we are only free to exercise our responsibility individually if we are surrounded by factors to do with the state, i.e. other institutions and agents. Justice freedom and responsibility – focusing on substantive freedoms helps here.

Analysis of development calls for an integrated understanding of the respective roles of different institutions such as administrations, legislatures, political parties, nongovernmental organisations, the judiciary, the media and the community in general in contributing to the process of development through their effects on enhancing and sustaining individual freedoms.

Development is a momentous engagement with freedom’s possibilities

Valerie Iles
2001