

Amartya Sen's Contribution to Human Development

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Abstract

This paper examines the major economic contributions of Amartya Sen, especially in the area of human development. Amartya Sen is an Indian economist and winner of the Bank of Sweden Prize in Economic Sciences in 1998 for his contributions to welfare economics and his work on poverty / famine, human development theory as well as gender aspects in economic development. Since the publication of the first human development report in 1990, the focus of development economics has shifted from national income accounting to people centered policies. According to Sen, the basic purpose of development is to enlarge human freedom. The process of development is to expand human capabilities by expanding the choices that the people have in their full and creative living. People are both the beneficiaries of such development and the agents of the progress as well as the change that they bring about. This process must benefit all individuals equitably and build on the participation of each of them.

Key words: Amartya Sen Contribution, Capability Approach, Human Development, Approach, Entitlement Approach

Introduction

Amartya Sen occupies a unique position among modern economists. He is an outstanding economic theorist, a world authority on social choice and welfare economics. He is carrying out path-breaking work on appraising the effectiveness of investment in poor countries and more recently, on the economic analysis of famines. He has greatly influenced the international organizations such as the United

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National Development Organisation (UNDP), International Labour Organisation (ILO) and the World Bank. Over the years, he introduced innovative solutions to help underdeveloped countries to cope with social problems like poverty, famine, gender inequality, human rights and biased liberalism. The Nobel Memorial Prize in Economic Sciences was awarded to him for his work in welfare economics in 1998 and also honoured by the then President of India with the Bharat Ratna in 1999.

Amartya Sen made remarkable contribution to development economics on the one hand and welfare economics on the other. According to him, human development may be regarded as a blend of both Development Economics and Welfare economics. Further, Prof. Sen probed into choice of techniques in development planning and subsequently moved to issues of social welfare including poverty and famines. The Human Development Index (HDI) constructed by the UNDP under the leadership of Mahbub-ul-Haq of Pakistan has derived roots from the writings of Prof. Sen as well as his personal advice to the UNDP. The real wealth of a country is its people and the purpose of development is to create an environment for enabling them to enjoy long, creative and healthy living. He argues that the standard of living of a society should be judged not by the average level of income but by people's capabilities to lead the life they value. He also expressed that commodities should not be valued in their own right but as ways of enhancing capabilities such as health, knowledge, self-respect and ability to participate actively in common life. In this paper the focus is on the analysis and assessment of Amartya Sen's contributions towards human development especially in the areas of human development approach, capability approach, poverty and famine, and social choice theory.

Methodology and Data Sources

The information for the study has been collected mainly from secondary sources. The study is descriptive and analytical in nature. The information was collected from a number of published sources such as various issues of Global Human Development Reports, World Development Reports, South Asian Human Development Reports (MHDRC), issues of Economic Survey and Oxford Publication series.

Amartya Sen and the Human Development Reports

The concept of human development is complex and multidimensional. Human Development Index (HDI) is extensively used to measure the standard of living of a country. HDI is calculated based on three indices – life expectancy to measure longevity, educational attainment to represent knowledge and real gross domestic product (GDP) to represent income. The First Human Development Report (HDR) published by UNDP in association with Mahbub ul Haq and Amartya Sen in 1990 stressed that people are the real wealth of a nation. As stated elsewhere the basic objective of development is to create an environment enabling the people to enjoy long, healthy and creative living. This may appear to be a simple truth, but it is often forgotten in the immediate concern with the accumulation of commodities and financial wealth.

Economic growth is a necessity but not the only condition for the promotion of human development. Beyond quantity, it is the quality of growth that is crucial for human well-being. Growth may be jobless, rather than job creating – ruthless, rather than poverty reducing – voiceless, rather than participatory – rootless, rather culturally enshrined and futureless, rather than environmental friendly. Growth that is jobless, ruthless, voiceless, rootless and futureless is not favourable to human development (Jahan, 2000). In this regard, economic growth is a means of development and not its ultimate goal. Increased income contributes largely if it improves people's life. But income growth is not an end by itself. Development should be people centered and economic growth must be equitable for its benefits to have an impact on people's lives.

Since the publication of HDR, Haq(1995) brought together a group of fellow development economists and friends. Among them the prominent being Paul Streeten and Frances Stewart, who had worked with him on the basic needs approach, Gustav Rains and Keith Griffin his collaborators in Pakistan and many others including Sudhir Anand and Meghnad Desai, who had creative expertise in quantitative methods of measuring economic development. But it was Sen's work on capabilities and functions that provided the strong conceptual foundation for the new paradigm in the economic development. His approach defined human development as the process of enlarging a persons functionings and capabilities to function, and the range of things that a person could do, as expressed in the HDRs as expanding choices (Amartya Sen, 1989).

Various Dimension of Amartya Sen's Contribution

Prof. Amartya Sen, one of the world's most popular and influential intellectuals made tremendous contributions in the field of economics, and is more specialized in the area of Welfare Economics and Development Economics, which come under Human Development disciplinary. Hence, here is an attempt to discuss various dimensions of Amrtya Sen's contributions.

Human Development Approach

Sen would continue to influence the evolution of the human development approach, refining and broadening the basic concepts and measurement tools as new areas of policy challenges from sustainable development (HDR, 1994) to gender equality, poverty, consumption and sustainable development, human rights and democracy (UNDP, 2002). In turn, the HDRs have paralleled Sen's own work on freedom, participation and agency, incorporating more explicit references to human rights and freedom. With Anand Sen also played a critical role in developing the measurement tools of human development, starting with the Human Development Index covering issues such as gender equality. Further, they also developed the Gender-Related Development Index (GDI) and the Gender Empowerment Measure (GEM, 1995). They suggested the measurement of poverty in human lives through the human poverty index rather than their income (UNDP, 1997). Thus, Sen helped to develop the initial conceptual framework and measurement tools used in the HDRs. But the reports carried Sen's work even further as they explored the policy implications of this development approach in areas that are of major contemporary significance.

Capability Approach

Amartya Kumar Sen has defined the development in term of an expansion in capabilities and 'entitlement'. Capabilities refer to what a person can (not) do or can (not) be. Freedom from hunger, being free to participate in the political process, being adequately sheltered, and access to health and education etc., can be quoted as different manifestations of capabilities. In this context, it will be essential to remember that capabilities are generated by 'entitlements' of an individual (within a society), which is measured not simply as income, but rather as the bundle of rights and opportunities available to an individual. These two together, thus imply, both the available choice set and also the capacity to exercise their right over the choice

set. Needless to add, the greater is the capability and entitlements of individuals in a society, the higher is the level of development of that society. (Sen. 1989)

Development according to Sen is the quality of life in terms of capability expansion. That is the expansion of valuable capabilities – broadening of the set of valuable beings and doings an individual can achieve. Development is the freedom to achieve valuable doings and beings (Functionings). Functionings are ends of human life and they can also be means to human life. Functionings are parts of a person's state of being or doings in leading a good life. Capability gives the combinations of functionings achievable by an individual. It is a set of functioning that reflects the freedom of an individual to make choices of possible livings desired by the individual. Capabilities include endowment, individual capacity and social opportunity that in turn have impact on capability.

Sen's 'capabilities approach' explains development as freedom and 'capability to function'. That is “what we can do with what we have”. Sen's approach indicates three core values of development, which are sustenance - the ability to keep individual alive- self-esteem and freedom from servitude and poverty. According to Sen, freedom is the matter but there is an implication that the means of having the freedom may not matter. Sen's notion of development as capability expansion has been criticized (Dizilbash 1996), For example, the capability expansion may include impoverishment of some lives and can be achieved through vicious means. The ways in which expansion of capabilities are achieved may be objected to partly because the means may be anti-social. That is, the means of achieving objectives are important and should be considered, just as well as the ends. Sen does not seem to take this into consideration. Sen neglects incorporating negative freedom into his analysis.

Different cultures within different contexts may provide different conditions for functioning and developing capabilities. What is regarded as correct functioning may not be the same in some cultures; since functioning may differ from culture to culture. Values cannot be measured and so cannot be compared. In discussing development in terms of expansion of capability it is not possible to say anything about development when expansion or contraction in capability occurs in a given situation. This is partly because one's capability cannot be compared with that of another person's. Interpersonal

comparison of capability is not possible. We cannot also compare one's loss with that of gain of capability, since capability is not measurable.

Poverty and Famine

'Poverty and Famine' is one of the most important works of Amartya Sen as highlighted in his one of the best ever remembered books "An Essay on Entitlement of Deprivation" published in 1981. In this work he demonstrated that famine occurs not only from lack of food, but also from inequalities in the mechanisms for distributing food. Sen's interest in famine stemmed from personal experience. As a nine-year-old boy, he witnessed the Bengal famine of 1943, in which three million people perished. Sen not only focused on famine occurred in Bengal in 1943 but also studied such situations in various countries such as Bangladesh, Ethiopia, Korea, Sahara, China etc. According to him, the absence of sustained entitlements for portions of society resulting in inadequate command of real purchasing power to buy subsistence in the market is the chief cause of famines affecting large number of poor people.

He concluded that there was an adequate food supply in Bengal at the time, but particular groups of people including rural landless labourers and urban service providers like haircutters did not have the monetary means to acquire food as its price rose rapidly due to factors that include British military acquisition, panic buying, hoarding, and price gouging, all connected to the war in the region. In 'Poverty and Famine', Sen revealed that in many cases of famine, food supplies were not significantly reduced. In Bengal, for example, food production, while down on the previous year, was higher than in previous non-famine years. Thus, Sen points to a number of social and economic factors for famine, such as declining wages, unemployment, raises food prices and poor food-distribution systems. These issues led to starvation among certain groups in the society. His capabilities approach focuses on positive freedom, a person's actual ability to be or do something, rather than on negative freedom approaches, which are common in economics. In the Bengal famine, rural labourers negative freedom to buy food was not affected. However, they still starved because they were not positively free to do anything. They did not have either the functioning of nourishment or the capability to escape morbidity.

In addition to his important work on the causes of famines, he observed that all the famines are not the result of natural calamities.

According to him, most of the famines of the world are man-made. In most of the cases, famine takes place in one region and food grains are in abundant quantity in another region. In some cases, at the time of the famine, the food grains are exported to another region by the same country. So, most of the famines take place due to lack of mobility of food grains from one place to another, lack of knowledge of information about the food grains, the reluctance and indifference of the government, lack of purchasing power with the poor and downtrodden people, lack of employment opportunities to the poor people resulting in poor income generation and as a result they become unable to purchase good grains.

After the study of the famines in India, China, Korea, Bangladesh, Ethiopia and Sahara, Sen has observed that death of food grains alone has not remained responsible always for food crisis. In the 1974, Bangladesh faced a famine, due to nation-wide flood situation, and the consequent increase in the prices of food grains. At the same time, as a result of the damage of one crop the agricultural labourer also lost the employment opportunities. Due to lack of purchasing capacity this class became prey to hunger and death in the famine such kind of famine was faced by China in 1958-61 in which about 1.16 to 3 crores of people died. On the basis of this data, it was considered to be the biggest famine in the history of mankind.

Various thinkers made some comments on the real and monetary factors during the famine. Sen has an interesting reference to Malthusian analysis of the rise in food prices and their effects on the poor and on the other classes. In the case of Malthus, diminishing returns were occurring in food grains production and there was no monetary inflationary factor. The relative prices of grains were going up because of the rise in the money supply and real costs of agricultural production.

The Entitlement Approach

Entitlements approach has been defined as the set of alternative commodity bundles that a person can command in a society using the totality of rights and opportunities that he or she faces. It should be noted that this is a descriptive rather than normative concept. The entitlements are derived from legal rights rather than morality or human rights (Sen, 1981). He concludes that the poverty and the famine stands between food availability and food entitlement. Starvation deaths can reflect legality with a vengeance which is

clearly something odd at best and uncomfortable at worst, defective with an analytical approach that appropriates a normative term like entitlement and strips it of all ethical connotations. In Sen's framework, people destitute by famine, are not entitled to food instead they are entitled to strive. Despite its normative connotation, entitlement does not reflect in any sense a concept of the right to food (Edkins, 1996). The Entitlement Approach is based on three conceptual categories such as Endowment Sets, Entitlement Set and Entitlement Mapping.

The Endowment Set is defined as the combination of all resources legally owned by a person. In this definition, resources include both tangible assets such as land, equipment, animal etc and intangibles such as knowledge and skill, labour power, membership of a particular community etc. Furthermore, the word 'legally' has to be interpreted broadly to mean conforming to established social norms and practices and not merely to what is sanctioned formally by the state.

The Entitlement set is defined as the set of all possible combinations of goods and services that a person can legally obtain by using the resources of his endowment set. The use of the resources to get final goods and services may be either in the form of production, exchange or transfer. The Entitlement Mapping, called E-mapping, is simply the relationship between endowment set and entitlement set. It is the rate at which the resources of the endowment set can be converted into goods and services included in the entitlement set.

According to Sen, famine is caused due to shortage of food and also due to failure of entitlement. A person suffers from failure of food entitlement when his entitlement set does not contain enough food to enable him to avoid starvation in the absence of non-entitlement transfers, such as charity. Thus famine occurs, since entitlement set is derived by applying E-mapping on the endowment set, due to the entitlement failure and thus famine can occur only through some adverse change either in endowment or E-mapping or both. Thus, there are two types of famines – one is caused due to change in endowment and the other due to change in E-mapping. The analysis of famine can also be done in a slightly different manner. As we know that E-mapping consists of three different kinds of relations such as production, exchange and transfer, we can distinguish four types of famines caused due to endowment loss, failure of production, exchange failure and transfer failure.

Social Choice Theory

Amartya Sen highlighted Arrow's Theory of Impossibility of Social Choice in his famous book by name 'Choice and Social Welfare' in 1970. The theory should aim at establishing the need for equitable distribution arrangements in the initial status of human beings in the society. In their absence, equality in opportunities has no meaning. The equitable distribution arrangements have to be decided on the basis of universally, or near universally, acceptable ethical norms or rules for the functioning of society. The rule that the social choices should give the greatest weight to the lowest status of societies as propagated in Rawls Theory of Justice in 1971, is also favoured by Prof. Sen.

Social choice theory, broadly speaks on with the interrelationship between the choices of individuals and collective decisions. Kenneth Arrow has also forward a mathematical result under a set of conditions. The Choice of Technique of Amartya Sen constitutes an important contribution to the analytical underpinning of development planning and cost-benefit analysis. Sen explicitly considers a balance between employing many people today and employment tomorrow, a problem concerned with the welfare of the present generation and its, labour force as well as that of future generations. Infact, Sen's doctoral work on "Choice of Techniques" was successfully completed under the supervision of Joan Robinson in 1950s was exclusively focused on developing countries that had high levels of unemployment and underemployment. When these countries attempted to strike a balance between alternative techniques, capital intensiveness and employment.

Conclusion

This paper has analysed the contributions of Amartya Sen in the field of human development. Sen, who won the noble prize for economics in 1998 and prestigious award of Bharath Rathna in 1999 has been considered to be one of the world's most important and influential intellectual thinkers. He was popularly known as the 'Mother Teresa of Economics' for his work on famine, human development theory, welfare economics and the underlying mechanisms of poverty, gender inequality and political liberalism. As he observes that, people are the real wealth of nations, the basic purpose of development is to enlarge human freedoms. The process of development can expand human capabilities by expanding the choices that people have for full and creative living. Development is about removing the obstacles

such as illiteracy, ill health, lack of access to resources or lack of civil and political freedoms. He demonstrated that famine occurs not only due to lack of food, but also due to inequalities built in the mechanisms for distributing food.

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