

November 2001

Economic Theory, Freedom and Human Rights: The Work of Amartya Sen

This Briefing Paper reviews the ways in which the Nobel Prize winning economist Professor Amartya Sen has focussed international attention on the significance of fundamental human freedoms and human rights for development theory and practice. In the past, dominant approaches have often characterised development in terms of GDP per capita; food security in terms of food availability; and poverty in terms of income deprivation. Emphasis was placed on economic efficiency – with no explicit role being given to fundamental freedoms, individual agency and human rights. In contrast, Sen’s research has highlighted the central idea that, in the final analysis, market outcomes and government actions should be judged in terms of valuable human ends. His work has contributed to important paradigm shifts in economics and development – away from approaches that focus exclusively on income, growth and utility, with an increased emphasis on individual entitlements, capabilities, freedoms and rights. It has increased awareness of the importance of respect for human rights for socio-economic outcomes – challenging the proposition that growth should take priority over civil and political rights, while highlighting the role of human rights in promoting economic security, and the limitations of development without human rights guarantees.

Moving theoretical and empirical economics forward: The building blocks of Sen’s approach

The limitations of traditional welfare economics

Formal frameworks in economics have traditionally been dominated by ‘welfarist’ criteria such as ‘utility’. This concept is generally interpreted in terms of individual ‘pleasures and pains’, ‘happiness’ and ‘desire-fulfilment’, while it is commonly operationalised in economics in terms of ‘revealed preference’ and the observation of actual choices. Sen has elaborated a far-reaching critique of utility as an informational base – for ethical and social judgement, as well as for the ability of economics to address real world phenomena such as poverty and famine, and for its explanatory and predictive power. This critique has challenged the equation of *rational behaviour* with *self-interested utility maximisation*; the use of *self-interested utility maximisation* as a predictor of individual behaviour; and the use of *choice information* as an indicator of individual preference and value. It has highlighted the limitations of utility information as a basis for evaluating and comparing human interests, and of utility-based interpretations of economic efficiency and social optimality – as reflected in standard approaches to ‘Pareto Efficiency’ and the ‘Fundamental Theorems of Welfare Economics’ (1987*).

Economics beyond ‘welfarism’

Given the limitations of traditional approaches, Sen has elaborated a series of formal proposals for moving the economics agenda forward – beyond ‘welfarism’ – and for

expanding the types of variables and influences that are accommodated in theoretical and empirical economics. His contributions include far-reaching proposals for incorporating individual entitlements, functionings, opportunities, capabilities, freedoms and rights into the conceptual foundations and technical apparatus of economics and social choice. These proposals reflect a number of central recurring themes including:

- the importance of pluralist informational frameworks that take account of both the *well-being* aspect of a person (relating to his or her own personal physical and mental well-being) and the *agency* aspect (relating to the goals that a person values, desires and has reasons to pursue; and being sensitive to *processes* as well as to *outcomes* – reflecting the intrinsic value of individual choice and participation).
- the need to go beyond the assessment of utility and income, taking account of entitlements, capabilities and functionings, and adopting a broad view of preferences, incorporating *the capability to achieve what is valued* and *counterfactual choice* (what people *would* choose, given the choice).
- the importance of approaches giving a central role to freedoms and rights. In Sen’s view, this importance cannot be captured in terms of the utility metric. Welfarist informational bases are too narrow to reflect the intrinsic value of freedom and rights, which should be brought directly into social-economic evaluation.

| The ‘common currency’ of development | | |
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| Concept | Past approaches | New approaches |
| Individual interests/ advantage/ well-being | Income/ Consumption/ Utility (i.e. individual happiness and/or desire fulfilment) | Human capabilities and opportunities – with an explicit role for freedom, agency and rights |
| Food security | National food availability | The food entitlements of individuals and groups |
| Poverty | Deprivation in income/ consumption/ expenditure | Deprivation in human capabilities such as knowledge, longevity and living standards (e.g. access to water and services) – more emphasis on self-reporting, self-esteem, participation and empowerment |
| Ultimate ends of development | Economic efficiency/ Maximisation of GDP per capita | Human development and ‘development as freedom’ – the expansion of valuable capabilities and the realisation of freedoms and human rights |

'The assessment of "value" has to take us well beyond utilities ... [T]he evaluation of consequences [should take] explicit note of the violation and fulfilment of rights' (1996, 26).

Individual entitlements

Sen's 'entitlement approach' provides a framework for analysing the relationship between rights, interpersonal obligations and *individual entitlement to things*. A person's *entitlement set* is a way of characterising his or her 'overall command over things' taking note of all relevant rights and obligations. Whereas rights are generally characterised as relationships that hold between distinct agents (e.g. between one person and another person, or one person and the state), a person's entitlements 'are the totality of things he can have by virtue of his rights'. Sen has hypothesised that '[m]ost cases of starvation and famines across the world arise not from people being deprived of things to which they are entitled, but from people not being entitled, in the prevailing legal system of institutional rights, to adequate means for survival'. His empirical work suggests that in many famines in which millions of people have died, there was no overall decline in food availability, and starvation occurred as a consequence of shifts in entitlements resulting from exercising rights that were legitimate in legal terms. It establishes that a range of variables other than agricultural productivity and aggregate food supply can undermine a person's entitlement to food, and that there is a possibility of an *asymmetry* in the incidence of starvation deaths among different population groups, with entitlement failures arising not only because of overall food shortages, but because people are unable to trade their labour power or skills. These findings highlight the possibility of insecure food entitlements that do not result from market failure as traditionally understood – challenging approaches to general equilibrium analysis that rule out the possibility of starvation death due to inability to acquire sufficient food through production or exchange (1981, 1984b*).

Individual food entitlements and food security policy

The entitlement approach has helped to shift the focus of international attention away from statistics describing per capita calories and food supplies, and towards statistics describing the differential ability of individuals, groups and classes to command food in practice. New approaches to food security policy place an increased emphasis on identifying the precise causes of the food vulnerability of population groups. The UN Special Rapporteur on the Human Right to Food has recommended that the first step in a *national food security strategy* is to map the situation for different groups taking into account a range of variables including occupation, gender, ethnicity, race and rural/urban location.

Functioning and capability

Sen's concept of *functioning* relates to the things a person may value doing or being. *Functionings* are features of a person's state of existence ranging from relatively elementary states (e.g. being adequately nourished), to complex personal states and activities (e.g. participation and appearing without shame). The concept of *capability* relates to the ability of a person to achieve different combinations of functionings – the various combinations of valuable *beings* and *doings* that are within a person's reach, reflecting the *opportunity* or *freedom* to choose a life that a person values. Sen's empirical research has highlighted the possibility of divergences between the expansion of economic growth and income on the one hand,

and the expansion of valuable human capabilities on the other. His findings establish that economic growth and income can be poor predictors of the capability to live to a mature age, without succumbing to premature mortality, in different countries (e.g. India, China, Sri Lanka, Costa Rica, Jamaica), and for different population groups (e.g. women versus men; black men versus other groups in the US; the population in the Indian state of Kerala in relation to other states). For these reasons, Sen has proposed that capabilities and functionings may be the most appropriate focal variables for many evaluative exercises concerning human interests. Equality and inequality may be best assessed in terms of capabilities – rather than in terms of GDP, consumption or utility – while poverty may be best characterised in terms of the *absence* or *deprivation* of certain basic capabilities *to do this or to be that* (1992, 1999a*).

Multidimensional concepts of poverty and development

The **UNDP's Human Development Reports** are based on Sen's approach and characterise human development in terms of the expansion of valuable human capabilities. The *Human Development Index* captures the importance of three critical human capabilities – achieving knowledge, longevity and a decent standard of living. The *Gender-Related Development Index* captures gender-based inequalities in the achievement of these capabilities, while the *Human Poverty Index* captures deprivations (where 'living standard' is characterised in terms of access to safe water, health services and birth-weight). The **World Bank's World Development Report 2000-01** also adopts a multidimensional concept of poverty. It attempts to go beyond the analysis of achieved functionings and to accommodate the ideas of individual agency and rights by emphasising that poverty is more than inadequate income and human development – it is also vulnerability and lack of voice, power and representation.

Fundamental freedoms and human rights

Sen has advocated new approaches to thinking about fundamental freedoms and human rights. In the past, poverty and hunger were often excluded from dominant discourses on fundamental freedoms and human rights. Sen has challenged this approach, arguing that:

'When we assess inequalities across the world in being able to avoid preventable morbidity, or escapable hunger, or premature mortality, we are not merely examining differences in well-being... [T]he available data regarding the realization of disease, hunger, and early mortality tell us a great deal about the presence or absence of certain central basic freedoms' (1992, 69).

This analysis contrasts sharply with that of the philosopher and economist Friedrich A. Hayek and the philosopher Robert Nozick. Sen has rejected the 'outcome-independent' position (which suggests that socio-economic outcomes are generally irrelevant to ethical evaluation), and has called for the development of 'consequence-sensitive' approaches to the characterisation of freedoms and rights. In Sen's view, the idea that consequences such as life, death, starvation and nourishment are intrinsically matters of moral indifference – or have only very weak intrinsic moral relevance – is 'implausible' and fails to reflect 'complex interdependences' that arise in relation to the exercise and valuation of freedoms and rights in a society (1984, 1987). In addition, Sen has rejected exclusively *negative* characterisations of freedoms and rights, focussing attention away from the *absence of intentional coercion* as an exclusive condition of individual freedom, and towards

the constituent elements of what a person can actually *do* or *be*. In this conceptual framework, the *absence* or *deprivation* of certain *capabilities* or *real opportunities* – as well as the denial of political and civil liberties – are relevant to the characterisation of freedoms and rights, and '[p]overty as well as tyranny, poor economic opportunities as well as systematic social deprivation, and neglect of public facilities as well as intolerance or over-activity of repressive states' can all represent major sources of unfreedom. Sen has defended the validity of expressions such as 'freedom from hunger,' 'freedom from malaria' and 'freedom from epidemics' in this context. Against the view that these expressions represent a rhetorical 'misuse' of the term freedom, he has suggested that if freedom is characterised in terms of counterfactual desires and choices – rather than purely in terms of the number of options available – then the elimination of hunger, malaria and epidemics may be directly relevant to freedom. If people have *reasons to value* a life without hunger, malaria or epidemics – if they *desire* and *would choose* such a life – then the *absence* of these maladies enhances their 'liberty to choose to live as they desire' (1992, 1999a,3*).

The idea of substantive freedom

'[L]ack of substantive freedoms [sometimes] relates directly to economic poverty, which robs people of the freedom to satisfy hunger, to achieve sufficient nutrition, or to obtain remedies for treatable illnesses, or the opportunity to be adequately clothed or sheltered, or to enjoy clean water or sanitary facilities. In other cases, the unfreedom links closely to the lack of public facilities and social care, such as the absence of epidemiological programs, or of organized arrangements for health care or educational facilities, or of effective institutions for the maintenance of local peace and order. In still other cases, the violation of freedom results precisely from a denial of political and civil liberties by authoritarian regimes and from imposed restrictions on the freedom to participate in the social, political and economic life of the community' (1999,4).

The nature of obligations (or duties)

Individual rights are often characterised in terms of correlative obligations or duties on other parties – individuals, groups or governments. Sen has built on this idea, characterising human rights in terms of claims on *individuals*, *collectivities* and the *design of social arrangements*.

'Human rights are moral claims on ... individual and collective agents, and on the design of social arrangements. Human rights are fulfilled when the persons involved enjoy secure access to the freedom or resource (adequate health protection, freedom of speech) covered by the right' (in UNDP, 2000,25).

Whereas some authors have suggested that rights such as the 'human right to adequate food' are of rhetorical value only when they are not located in some specified institutional structure, Sen (2000) has challenged the view that rights must be rigidly matched-up with correlative duties, and that the articulation of rights-based claims in the absence of the precise specification of duties is 'loose talk'. In Sen's view, an 'inflexible' characterisation can militate against the principles of 'solidarity and fairness in social living' embodied in the Universal Declaration of Human Rights, which suggests that 'people have some claims on others and on the design of social arrangements regardless of what laws happen to be enforced'. Sen has invoked the Kantian distinction between 'perfect' and 'imperfect' duties in this context, arguing that whereas the former entail prespecified exact duties of particular agents, the latter entail more general duties of those who can help. He has argued that even when there is no clear right-duty

link, the neglect of an 'imperfect duty' can amount to serious moral or political failure, citing the example of gender discrimination.

'Women's human rights give them a claim that male-only suffrage and many other practices be ended through social, legal and institutional reforms. The duties correlated with this right cannot easily be allocated to particular duty bearers because the task of reforming these unjust practices falls on the group as a whole. Yet individuals surely have *imperfect* duties correlative to this right, and speaking of this right clearly expresses something of great normative importance' (in UNDP, 2000,26).

Defending the idea of universal human rights

Sen has also developed a framework for defending the idea of universalism against relativist and culture-based critiques. He has challenged the proposition that the historical origins of the idea of human rights are uniquely rooted in Western traditions of natural law and natural rights, arguing that the broad traditions from which the idea of human rights has emerged – traditions of universalism, tolerance, freedom, respect for human dignity, concern for the poor, needy and exploited, and of interpersonal obligation and government responsibility – have not emerged exclusively *in* or *from* any single cultural tradition, and have deep historical roots in non-Western societies. He has highlighted the ideas of Confucius, Ashoka, Kautilya and Akbar in this context (1999a, 227-240).

Do civil and political rights hamper economic growth?

The idea that civil and political rights *hamper* economic growth was articulated by certain governments at the World Conference on Human Rights (in Vienna in 1993), while high growth rates in parts of East Asia during the 1980s and 1990s, together with China's recent record of economic growth and poverty reduction, are sometimes cited in support of the proposition that economic development should take priority over civil and political liberties. Sen has rejected the view that a core of so-called 'Asian values' have played a crucial role in economic successes in East Asia and that these values are in some way opposed to civil and political rights. In addition, he has questioned the *empirical* basis of the claim that authoritarianism plays a positive role in securing high rates of economic growth.

'[S]ome relatively authoritarian states [e.g. South Korea ... and recently China] have had faster rates of economic growth than some less authoritarian ones [e.g. India, Costa Rica, Jamaica]. But the overall picture is ... [more complex. Systematic] statistical studies give no real support to the claim that there is a general conflict between political rights and economic performance. That relationship seems conditional on ... [other variables. It is hard to reject] the hypothesis that there is no relation between them in either direction ... ' (1999b, 91).

Furthermore, Sen has argued that the selective and anecdotal evidence of the positive impact of authoritarianism on economic growth from East Asia is contradicted by the African evidence. Even when Singapore and South Korea were growing faster than other Asian countries, Botswana – a major defender of democracy – was the fastest growing economy in Africa. He concludes that the selective and anecdotal evidence goes in contrary directions – while the limits of growth without guarantees of a full range of civil and political rights were underlined by calls for greater democracy following the crash of the Asian financial markets in 1997 (1999ab*).

The role of civil and political rights in promoting economic security

Finally, Sen has focussed international attention on the role of human rights in promoting human development and economic security. He has argued that civil and political rights can reduce the risk of major social and economic disasters by empowering individuals to complain, ensuring that these views are disseminated, keeping government informed and precipitating a policy response.

'Civil and political rights ... give people the opportunity to draw attention forcefully to general needs and to demand appropriate public action. Whether and how a government responds to needs and sufferings may well depend on how much pressure is put on it, and the exercise of political rights (such as voting, criticising, protesting, and so on) can make a real difference' (1999b, 92).

Sen's empirical research illustrates the ways in which the *denial* of civil and political rights can function as an *obstacle* to human development. His analysis of the phenomenon of excess mortality and artificially lower survival rates of women in many parts of the world (the 'Missing Women') demonstrates that although excess mortality in women of a childbearing age may be partly the result of maternal mortality, no such explanation is possible for female disadvantage in survival in infancy and childhood. The lower female-male ratios in countries in Asia and North Africa indicate the influence of social factors resulting in gender inequality, discrimination and the comparative neglect of female health and nutrition (1999a, 104-7). Conversely, empirical research illustrates the *positive* ways that civil and political rights can function to promote economic security. Sen has articulated the view that no major famine has occurred in any country with a democratic form of government and a relatively free press. He has suggested that this statement applies not only to the affluent countries of Europe and America, but also to the poor but broadly democratic countries such as India and Botswana; while the incidence of famines in India until independence in 1947 (for example, the Bengal famine in 1943 killed between 2 and 3 million people) contrasts with the post-independence experience following establishment of a multiparty democratic system – providing inter-temporal evidence of the positive impact of democracy in reducing the risk of famine. Furthermore, this evidence contrasts sharply with the experience of famine in China. When the 'Great Leap Forward' proved mistaken, policies were not corrected for three years (1958 to 1961) – while 23 to 30 million people died. In Sen's view, 'no democratic country with opposition parties and a free press would have allowed this to happen' (1999b, 92-93).

Conclusion

In the past, human rights issues have typically been analysed from the perspectives of separate academic disciplines. Philosophers have focussed on foundational issues in ethics, and lawyers on questions of international legal obligation, while both disciplinary perspectives have tended to neglect the institutional, economic and structural processes that impact on individual freedoms and human rights. Meanwhile, in traditional economics, welfarist frameworks – that are unsuitable for thinking about human freedom and human rights – have dominated the landscape, and economists have often failed to incorporate the ideas of freedom and rights

Emerging international agendas on poverty, freedom and human rights

The UNDP's *Human Development Report 2000* focuses on the inter-relationships between human development and human rights. It analyses the impact of economic structures, growth and development on human rights, and the impact of respect for human rights on social and economic outcomes, and conveys the central message that poverty is a limit on freedom, and that the elimination of poverty should be addressed as a basic entitlement and a human right – not merely as an act of charity. It calls for a framework for trade and investment that respects, protects and promotes human rights, encouraging greater commitment by donor governments to adequate funding of human rights priorities in developing countries, and suggesting that debt and economic and development policies, including structural adjustment, should be assessed in terms of their impact on human rights. Although the *World Development Report 2000-01* does not adopt a human rights approach to development, it nevertheless recognises that 'poor people live without fundamental freedoms of action and choice'.

into their theoretical and empirical work. Sen's research agenda challenges past thinking and provides a basis for moving forward.

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* for additional references see the web version of this paper.

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