

On ethics and economics book review

[Sociology](#), [Ethics](#)



On Ethics and Economics Amartya Sen Blackwell Publishers, 1987, pp. 148, Rs. 271 ' On Ethics and Economics' by Amartya Sen centres on a particular phenomenon that the author considers unfortunate to the discipline. In this book, Amartya Sen talks about the continued and ever increasing distancing of economics from ethics. This book has three chapters and under each chapter, there are sub topics. That makes the book more structured and easy to understand even for a person who is not so competent in the study of Economics.

Though the book was written in 1987, most of the arguments still apply in today's world. Amartya Sen starts off with an Edward Clerihaw Bentley verse about a major practitioner of political economics and this sets the tone for the rest of the book. The author basically tries to argue that ethics-related tradition of Economics dates back to the days of Aristotle and that Economics ultimately goes hand in hand with the study of Ethics and Politics. Amartya Sen certainly and in a very obvious manner, questions the disassociation of the study of Economics from that of ethics and political philosophy.

Hence, this book is undoubtedly a very important reading for those who are interested in connecting the dots between economics and business ethics. Professor Sen, while agreeing that the ' engineering' approach to Economics has been often fruitful, criticises the same ' engineering approach' by saying that it has substantially impoverished the modern economics because it has created a distance between economics and ethics. He also goes on to explain that the ' Positive Economics' has led to ignoring complex ethical considerations which affect human behaviour.

Professor Sen believes that the growing distances between Ethics and Economics has affected the former more. The author is extremely persuasive when he suggests enlarging the role of welfare economics in understanding the basis for policy decisions involving social achievements. Professor Sen truly believes that Economic advancement is going on at full steam without any moderation from the discipline of 'ethics' and that the role of ethics has been ignored by all the policy makers and modern economists. Hence, it is not surprising that 'Business Ethics' is regarded as an oxymoron in the business world.

The author tries to relate between economic behaviour and rationality. He agrees with the assumption that 'Humans think rationally.' Though the author says that the rational behaviour might not be the actual behaviour all the time, he also says that this particular assumption is better than assuming the humans think irrationally, which will lead to more mistakes than the assumption currently in use. The amount of space and importance given to the assumption by the author makes the reader think about how rationally an individual or the policy makers think today.

It plays a huge role in the study of economics. Professor Sen then goes on to talk about the self-interest and rational behaviour. In the second chapter, Economic Judgement and Moral Philosophy, to bring more sanity into the discussion, Professor Sen has brought in the areas that have been neglected by scholars when dealing with the issues of social achievement. They consist of values, rights and freedom, welfare, self-interest and all those that cannot be reduced to a single denomination called utility.

According to welfare's notion of rationality, it is not unreasonable for a person to put his self-interest ahead and to choose the state which maximises his welfare regardless of the goals of others in the society. Professor Sen introduces something called as 'Agency Role' when he talks about the dual nature of a person. I completely agree with Professor Sen when he says that a person thinks like an agency when he recognises and acknowledges goals of other people in the society and that a person thinks in terms of a well-being, which too calls for his/her own attention.

This can be applied to the Game Theory and the example of Prisoners Dilemma. The arguments put forth by Sen by promoting ethics to economics are very useful to current economic scenarios faced by the global community. For instance, the problem of pollution cannot be solved by providing incentives, but by developing a mind-set that is largely away from self-centredness. If one is unfamiliar with the problem of ethics other than utilitarian standard of analysis, then reading and comprehending this book could be a struggle or might find it difficult to read this book.

Perhaps the terms 'wants' and 'needs' ought to be differentiated so that the choice of individuals will be dictated by 'needs' rather than 'wants'. If this perspective can be used to moderate on the usefulness of utilitarianism or welfarism, and is incorporated within the matrix of the discipline, then there is hope that ethics and economics can contribute to a balanced approach to solving problems of human existence, which is very much the need of the hour right now. -Book review by K Ravi Teja Reddy