

Amartya sen and his contributions to economics

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Born in 1933 in Dhaka, Bengal, Amartya Sen spent his childhood in a school run by a Nobel Prize winner, Rabindranath Tagore. He was further exposed to racial riots in British India in his childhood. This brought him the understanding that poor people are especially vulnerable to violence. As a young man, Sen moved to England to study at Cambridge University and deepen his understanding of poverty, a topic in developmental economics.

Upon finishing his education, he taught at some of the finest universities in the world, including Cambridge University, Oxford University, London School of Economics, and Harvard University ("Freedom as Progress," 2004). Today, the name, Amartya Sen is considered synonymous with welfare economics. The man won the Nobel Prize for economics in the year 1998 ("Amartya K. Sen"). The Royal Swedish Academy of Sciences explains the reasons for the award thus: Prof Sen's contribution to welfare economics ... (and) applications of his theoretical

approach have enhanced our understanding of the economic mechanisms underlying famines. He has made a number of noteworthy contributions to central fields of economic science and opened up new fields of study for subsequent generations of researchers. By combining tools from economics and philosophy, he has restored an ethical dimension to the discussion of vital economic problems. Prof Sen treated problems such as majority rule, individual rights and the availability of information about individual welfare.

Almost all of Prof Sen's work deals with development economics, as they are often devoted to the welfare of the poorest people in society. He has also studied actual famines. His best-known work is *Poverty and Famines: An Essay on Entitlement and Deprivation*. He challenges the common view that

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a shortage of food is the most important (sometimes the only) explanation for famine. On the basis of careful study of a number of catastrophes ... he argues that famines have occurred even when the supply of food was not significantly lower than during previous

years (without famines), or that famine-stricken areas have sometimes exported food. (" Sen's work is ' devoted to the welfare of the poorest people in society,'" 1998) Sen won the Nobel Prize especially for his work in welfare economics (" Sin wins Nobel for Contribution to Welfare Economics," 1998). His contributions in this area include the social choice theory, welfare and poverty indexes, income distribution, research on famine, collective decision making and individual welfare (" Amartya Sen," 2000). The economist's contribution to the social choice theory relates to democracy.

Sen is a fan of Adam Smith, but the social choice theory was originally developed by Marquis de Condorcet, a French mathematician who lived and worked during a period of revolution back in the eighteenth century. The theory was modernized in the 1950s by Kenneth Arrow from Stanford University, who had also won a Nobel Prize for economics. But, Sen's contribution to the theory is marked by its political implications. He was concerned about violence inflicted upon the poor in British India, which is why his contribution was meant to be a framework to evaluate social progress (" Freedom as Progress").

According to Sen, the Gross Domestic Product and Gross National Product are unreliable. The reason is twofold: firstly, these national income statistics do not measure income distribution as it is; and secondly, there are various influences upon individual freedom as well as well-being that these statistics

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fail to give consideration to, for example, disabilities and exposure to serious illnesses in a contaminated environment. Sen further believed that the head-count technique of measuring the malice of poverty is insufficient.

He did not only want to know how many people fell below the poverty line but also how far they fell below or rose above the poverty line. It is possible to analyze income inequality among the poor as well with these statistics. Hence, Sen proposed a new poverty measure in the year 1979 ("Freedom as Progress"). This method was developed to take into consideration "the 'relative deprivation' of individuals" ("Freedom as Progress"). Sen also helped in the development of the Human Development Index published by the United Nations Development Program.

His contribution to the Human Development Index included a vector of numerical figures to take into account the various influences on individual welfare that the Gross National Product would not accommodate ("Freedom as Progress"). Undoubtedly, this Index, inclusive of "observed features of living conditions," is now "the most widely accepted measure of comparative international welfare" ("Freedom as Progress"). Sen was a witness to the Bengal famine of 1943, which is what inspired him to contribute to famine economics so much so that governments around the world have developed policies around his contributions.

Most policymakers and commentators had previously believed that famines ensue when the supply of food declines. Although this makes perfect economic sense, Sen proved through his study of famines in Bangladesh, India, and sub-Saharan Africa that famines also occur when the supply of food has not declined. In the year 1974, for example, Bangladesh was hit by

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a famine although production of food was very high. Furthermore, Sen proved through research that it was not only the poorest people that were affected by famines; rather, even those who had suddenly experienced a decline in income for some reason were affected by food shortage.

As a result of his research, governments decided to replace the lost income of the poor during famines. Prior to this, they had simply concentrated on food distribution ("Freedom as Progress"). Sen further found that famines do not happen in democratic countries. In India, for example, information spreads rapidly and criticism about policies is not discouraged, which is why the country has never experienced a famine. Even though India is poorer than China, the latter experienced a famine that killed approximately thirty million people between 1958 and 1961.

But, Sen did not just advocate democracy through this research. As he studied famine economics, he analyzed gender inequality to boot. According to him, democracy has not inspired India to save women from dying prematurely year after year because of inequality in access to healthcare ("Freedom as Progress"). In fact, millions of women are equally affected by this problem in addition to "domestic neglect" and "social negligence" in West Asia, North Africa, China and India ("Freedom as Progress").

Even if these problems are resolved, Sen has noted that "selective abortion of female fetuses" is a new contributor to the high rate of female mortality ("Freedom as Progress"). Of course, those who believe in aborting female fetuses would disagree with Sen that it is a social problem to reduce the female population thus. It is for this reason that Sen's social choice theory revolves around democratic principles ("Freedom as
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Progress"). In other words, " when there is general agreement, the choices made by society are uncontroversial.

When opinions differ, the problem is to find methods for bringing together different opinions in decisions that concern everyone" (" Freedom as Progress"). This theory of social choice analyzes the significance of individual decisions for collective welfare. Apart from analyzing the issue of gender inequality, Sen has used this theory to answer questions such as, ' When is it possible for majority rule to yield decisions that are clear and consistent? ' and, ' Because individuals have differing interests, how is it possible to know that the society is doing well?

Branching into politics, Sen's contribution to social choice theory makes it essential for democracies not only to perfect the process of elections but also to hold regular public debates and discussions. He offers the example of India to illustrate this point. The country had voted out a powerful political party on the basis of political discussions even if the result of the elections had appeared decisive (" Freedom as Progress"). Sen explains another use of the social choice theory with an example of India. There was public debate on the issue of whether poverty in India was on the decline.

Upon analyzing the issue with the social choice theory, Sen discovered that reduction in poverty only affected those who were already very close to the poverty line. It is for this reason that the economist continues to trust evaluation of income distribution through a variety of measures rather than Gross Domestic Product and Gross National Product alone. With his contribution to the Human Development Index, the economist has

theoretical evidence that education and healthcare reforms will alleviate poverty in developing nations.

Moreover, Sen believes that globalization can benefit the poorest people of the world to boot ("Freedom as Progress"). Of course, to make this dream a reality, policymakers must be working around the Human Development Index. After all, violence, too, affects everybody. If poverty is not alleviated, economic progress must needs be dampened by war.

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