

## HUMAN DEVELOPMENT AND TRANSCENDENT HUMANISM IN AMARTYA SEN

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### 1. Introduction

Our world is both spectacularly rich and distressingly impoverished. As the saying goes, 'A rising tide may not lift up all the boats'. Sometimes, a quick tide, especially accompanied by a storm, dashes weaker boats to the shore, smashes them to the smithereens. In our globalized world, the market becomes the all-encompassing subject, where the poor and the marginalized face extreme injustice and objectification. In this context, the contributions of Amartya Kumar Sen, the first Indian and the first Asian to win the Nobel Prize in Economics (1998), are widely notable. The Development Index of a nation, according to him, is not simply on the Gross National Product (GDP) or per capita income alone, but it is to be judged on the basis of how a nation has progressed in sectors like life-expectancy, primary education, land-reform, the literacy of women and their wellbeing, healthcare, etc. In the history of political economy, Sen is the first to de-link famines from food availability and to frame the problem of famine and hunger as a political issue.<sup>1</sup> A democracy with multiparty election and critical media has better prospects to prevent or overcome disasters like famines simply because democratic mechanisms, which Sen considers the model form of governance, offer the space for public outcry, empowering the public to criticize and demand immediate action from the government.

Sen explains human development in terms of expanding one's freedom through capabilities and entitlements. Capabilities represent

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<sup>1</sup>For Sen's empirical study on famines, see Sen, *Poverty and Famines: An Essay on Entitlement and Deprivation*, New Delhi: Oxford University Press, 1984.

various “combinations of functions”<sup>2</sup> (beings and doings) that a person can achieve. Capability is a set of vectors of functionings, reflecting a person’s freedom to lead one type of life or another. Entitlement is understood as the ability to command over something.<sup>3</sup> The expansion of freedom is viewed as both the primary end and the principal means of development. He defines the constitutive role of freedom as “the substantive freedoms including elementary capabilities like being able to avoid such deprivations as starvation, undernourishment, escapable morbidity and premature mortality, as well as the freedoms that are associated with being literate and numerate, enjoying political participation and uncensored speech and so on.”<sup>4</sup> In addition to it, he speaks of instrumental role of freedom, which includes political freedoms, economic freedom, social opportunities, transparency guarantees, and protective security. In this article, I analyze Sen’s substantive freedom-based approach as to what extent it has helped to empower the society at large, which is constantly under repression through unjust structures and social exclusion.

## 2. Individual Freedom vis-à-vis Social Commitment

Individual freedom and its expansion are at the centre of Sen’s developmental framework. Although Sen points out that, individuals are “quintessentially social creatures,”<sup>5</sup> his scheme of freedom is towards the individual. Even if social arrangements or institutions are seen as important elements in enhancing or impeding individual freedoms, they are still to be “investigated in terms of their contribution to enhancing and guaranteeing the substantive freedoms of individuals.”<sup>6</sup> Individuals are seen as active agents of change, rather than as passive recipients of dispensed benefits. Freedom is explained primary as a capacity for buying and selling although one person has to live in a society without “social shame” or “social exclusion.”<sup>7</sup> It’s purely external, and has nothing to do

<sup>2</sup>Amartya Sen, *Commodities and Capabilities*, New Delhi: Oxford University Press, 1987, 14.

<sup>3</sup>Sen, *Poverty and Famines*, 45.

<sup>4</sup>Amartya Sen, *Development as Freedom*, New Delhi: Oxford University Press, 1999, 36. The title of the work, *Development as Freedom*, itself is symbolic of his liberal stand and outlook. Things would be quite different, had he taken an approach of Development as *Justice!*

<sup>5</sup>Jean Drez and Amartya Sen, *India: Development and Participation*, New Delhi: Oxford University Press, 2002, 81.

<sup>6</sup>Sen, *Development as Freedom*, xiii.

<sup>7</sup>Sen, *Development as Freedom*, 89.

with internal realization. The liberty of man is reduced to a struggle for owning the toys of unfulfilled desires endlessly created by the market.<sup>8</sup> The 'freedom' that market gives is an imposed freedom and imposed life styles. The 'capability set' is combinations of functionings that are feasible for him or her to achieve.<sup>9</sup> The evaluative focus of the 'capability approach' is based on either realized functionings or the capability set of alternatives he or she has. Sen explains the capability and its evaluation primarily on an individual basis. Thus, what a person is actually able to do and what are his or her opportunities are given more importance than the discussion of common good. The importance in the evaluative judgments is given to the individual wellbeing and his or her quality of life. Thus, individual preferences become the basis of social choice.<sup>10</sup>

Sen warns and suggests that freedoms in markets should go hand in hand with freedoms in other institutions, like political establishments, so that extensive freedoms of some in markets do not override the freedoms of others in participating in the life of the community. He is a bit reluctant to approach development with a supra-individual subject. In this way, by following the Smithian approach, Sen's method is also in the line of 'ethical egoism'.<sup>11</sup> When self-interests become the motivating force, Smith notes, there would be "an invisible hand to promote the end which was not part of his intention."<sup>12</sup> In spite of such a position, Sen speaks of "providing social safety nets (in the form of social security and other

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<sup>8</sup>The market-oriented individual freedom could be explained with an example. The individual freedom, according to the market forces, is evidenced in the 'Nano revolution' or, as some others call it, a 'second revolution' to improve the quality of life. The car is now a fetish of development and high status. The market brainwashes the slave that freedom means aping the master's lifestyle. People no more seem to like to travel in company of others, for the other is a matter of disturbance and unfreedom. Even a family does not travel together; each person must possess a car – a solipsistic madness. Market continues to preach, 'blessed are the poor, for they can buy a car!' It's not freedom.

<sup>9</sup>Sen, *Development as Freedom*, 75.

<sup>10</sup>Sen, *Rationality and Freedom*, New Delhi: Oxford University Press, 2002. 300-310.

<sup>11</sup>Sen states that Smith's self-interest view of rationality involves *inter alia* a firm rejection of the ethics-related view of motivation and, so, Sen concluded that Smithian theory is "ethical egoism." *On Ethics and Economics*, 15.

<sup>12</sup>Smith, *Wealth of Nations*, 453.

supportive arrangements)"<sup>13</sup> for those whose interests are harmed through the globalizing processes. For, according to him, there is a close linkage between freedom and responsibility. The starting point of responsibility is also freedom for him. When he speaks of freedom as a pre-requisite for responsibility, Sen focuses on the primacy of individual advantage for social achievements.<sup>14</sup> But, freedom-oriented approach many a time lacks sensitivity towards society and societal needs. Likewise, individual freedom does not necessarily lead to social commitment.

Freedom cannot be merely seen as a capability to enter into market operations or trade-play; it is the openness of the consciousness and awareness about oneself and the other. When the whole discussion of individual becomes dominant, the societal freedom is marginalized and, thus, responsibility towards the other is all the more neglected. So, development is to be explained in terms of responsibility: *development as responsibility*.

As a social being and being-with-others, an individual has no existence apart from his or her community. The rootedness of the individual can never be underestimated. When the individual preferences and desires become dominant in a community, there cannot be any empowerment of the common good. Sen criticizes the 'fetishist handicap' to be concerned with goods as such, to the exclusion of what goods "do to human beings."<sup>15</sup> Accordingly, the goodness of life essentially depends on its being chosen and constructed by the person who lives it.

New market transaction and competitive markets, as Sen rightly puts it, increase the opportunities and choices of the individual. It may not, however, ensure the strength of the society. The concept of 'other-ness' is lacking in the individualistic formulation of freedom. Freedom is needed to have its fulfilment in a society. When the conception of human being is restricted into an economic model alone – *homo economicus* – it tends to be that of a self-seeking egoist.<sup>16</sup>

<sup>13</sup>Sen, *Development as Freedom*, 240.

<sup>14</sup>Sen, *Development as Freedom*, 284.

<sup>15</sup>Sen, "Equality of What?" 1 July 2007, <http://www.tannerlectures.utah.edu/lectures/sen80.pdf>, 218 [Online].

<sup>16</sup>Man, being *Mit-dasein*, has no other option, but to take into account the fact of being-with-others. In the process of living together there is the possibility of approaching the other with two attitudes: an attitude of acceptance or rejection. In the attitude of acceptance, the other is not seen as a menacing threat, or as a means for me to grow but as a person, a co-existent thou, a presence. Hence, the other becomes

Hence, Sen speaks of the role of public action in eliminating hunger and poverty in the modern world. The incentives provided by the market mechanism could be shared through governments. Thus, he emphasizes the role of democratic institutions. A civilized society is a society that can maintain and observe the rights of the individuals without destroying the freedom of society and the common good. As Kant rightly says, if any society is to be a civilized one, there must be a just constitution, allowing "the greatest freedom" for each along "the most precise specification and preservation of the limits of this freedom so that it can coexist with the freedom of others,"<sup>17</sup> making room for mutual growth and development. Gandhi, when he explains about the freedom of individuals says: "Civilization, in the real sense of the term, consists not in the multiplication, but in the deliberate and voluntary reduction of wants. This alone promotes real happiness and contentment, and increases the capacity for service."<sup>18</sup> Unfair developmental approaches are forms of violence and danger to the humanity as a whole.

### 3. Global Institutions and Democratic Restrictions

The most important global institutions that are active today are the IMF and the World Bank. Both have originated after World War II as a result of the UN Monetary and Financial Conference at Bretton Woods, as part of a concerted effort to finance the rebuilding of Europe after the devastation of war and to save the world from future economic depressions. The IMF was founded on the belief that there was a need for collective action at the global level for economic stability, just as the United Nations had been founded on the belief that there was a need for collective action at the global level for political stability.<sup>19</sup> Founded on the belief that markets often worked badly, the IMF now champions market supremacy with ideological fervour. Functioning on the belief that there is a need for

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one of value, and not at all one of hell, but of 'hello'. Human beings cannot live as a "windowless monad," with no possibility of interaction with the other. Sen, no doubt, goes beyond the level of *homo-economicus* and moves to *homo socio-economicus*, although his starting point remains with the individual.

<sup>17</sup>Immanuel Kant, *Critique of Pure Reason*, trans. Norman Kemp Smith, London: Macmillan, 1929, A361/B373.

<sup>18</sup>Raghavan Iyer, *The Essential Writings of Mahatma Gandhi*, New Delhi: Oxford University Press, 1993, 399.

<sup>19</sup>Joseph Stiglitz, *Globalization and Its Discontents*, New Delhi: Penguin Books, 2000, 11-12.

international pressure on countries to have more expansionary economic policies – such as increasing expenditures, reducing taxes, or lowering interest rates to stimulate the economy – the IMF typically provides funds only if countries engage in policies like cutting deficits, raising taxes, or raising interest rates that lead to a contraction of the economy.<sup>20</sup> Slowly, the IMF has adopted an imperialistic trend. The Keynesian orientation of the IMF, which emphasized market failures and the role of government in job creation, was replaced by the free market mantra of the 1980s, part of a new ‘Washington Consensus’ – a consensus among the IMF, the World Bank, and the US Treasury about the ‘right’ policies for developing countries – that signalled a radically different approach to economic development and stabilization. Both these institutions promote and pursue rapid progress through privatization.

The inevitable role of the government is emphatically stated in the reform proposals of Sen. He argues: “individuals live and operate in a world of institutions, many of which operate across borders. Our opportunities and prospects depend crucially on what institutions exist and how they function.”<sup>21</sup> The global institutions and the democratic set up need to work in a positive correlation for the development of the people. Sen remarks that “the intrinsic relevance, the protective role and the constructive importance of democracy can indeed be very extensive.”<sup>22</sup> By taking the example of India, the largest democracy in the world, he adds:

The performance of democratic institutions is contingent on a wide range of social conditions, from educational levels and political traditions to the nature of social inequalities and popular organizations. In many cases democratic practices in India have been deeply compromised by a variety of social limitations inherited from the past.<sup>23</sup>

Among the various social limitations, Sen points out the handicap of present voting system, problems in the legal system, corruption and so

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<sup>20</sup>Stiglitz, *Globalization and Its Discontents*, 13.

<sup>21</sup>Sen, “Freedom as Progress,” *Finance and Development*, September 2004, 4-5.

<sup>22</sup>Sen, *Development as Freedom*, 154. Sen’s exploration is basically a search for the ‘third way’, where free-market and government regulations, freedom and justice, global institutions and nation-states move together. Although his attempt is theoretically bankable, it is practically bankrupt.

<sup>23</sup>Drez and Sen, *India: Development and Participation*, 350.

on.<sup>24</sup> The present practice of democracy has terribly turned out to be *democracy*. The widely known handicap of democracy is due to the hyper globalization and its market ideology promoted by global institutions. This has not been mentioned in the discussion of democratic failures. What matters, of course, is not just the size of government but what government does.

Democracy and nation-states can work only when they have the power in most respects. But in reality, corporations and private agencies assuming control over the people, government becomes a mere sheep-dog. That is why we have lost functional democracy, but a "sugar-coated progeny of the capitalist market,"<sup>25</sup> which could easily be manipulated by the self-interests of a minority. When some trans-territorial organizations so tightly steer and control the economic, cultural, social, and political life of nation-states, then the governments have no feasible way of developing and sustaining policy-options or programmes. Nation-states become rather march lock-up to the mandates of these trans-national organizations over most fundamental economic, political, social, and cultural matters. As Scholte remarks,

Democracy is understood to prevail when the members of a polity determine – collectively, equally and without arbitrarily imposed constraints – the policies that shape their destinies. In democratic governance, people reach joint decisions using processes that are open to all and free of preemptory exercises of top-down power. In one way or another, democratic governance is participatory, consultative, transparent, and publicly accountable.<sup>26</sup>

As Kierkegaard put it ironically, "there are no Christians in the Christian Kingdom of Denmark," it would not be cynic but just if someone said that,

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<sup>24</sup>Indian elections are formally 'free and fair' in most cases; their effective fairness has been compromised by nepotism, the criminalization of politics, and pervasive inequalities in electoral opportunities as a result of disparities in economic wealth and social privileges. For details see, Drez and Sen, *India: Development and Participation*, 348-356.

<sup>25</sup>Saju Chackalackal, "Terrorism and Global Responsibility: An Alternative Reading in the Context of Globalization" (Editorial), *Journal of Dharma* 32, 1, (January-March 2007), 6.

<sup>26</sup>Jan Aart Scholte, *Globalization: A Critical Introduction*, New York: Saint Martins, 2000, 262. China follows state-sponsored capitalism and India follows democratic form of capitalism.

given Scholte's definition, there are no democracies in our family of contemporary constitutional democratic regimes.

It is true that the present-day globalization is not benefiting the downtrodden and the underprivileged groups. Against Sen's vision of globalization, basically a neo-liberalist position of globalization from above, what we need is a democratic globalization, i.e., a globalization from below. Democracy should not be threatened by such a globalization. Unfortunately, what we experience today is, as Paul Bairoch called, the "rule by the market" with economics, not politics, in command.<sup>27</sup> Noam Chomsky has called the present world a "rule by the giant multinationals,"<sup>28</sup> where the world becomes a huge bazaar with nations peddling their workforce in competition against each other, offering the lowest prices for doing business. It is not less than what could be called an emergence of international capitalist class, which can bypass the policies, laws and regulations of nation-states and place irresistible pressures to lower wages, labour standards, and social and environmental regulations across the globe.

#### 4. Poverty and Violence against Global Justice

Dazzling prosperity cohabiting with dehumanizing poverty is the tragedy of contemporary India and many other developing countries. One India wants; the Other India hopes. One India leads; the Other India follows. Poverty is lack of choice – no choice, but starvation. Massive inequalities in the opportunities experienced by different people encourage scepticism about the ability of globalization to serve the interests of the majority. Fair treatment is generally neglected in the market transactions. The paradox is: economic growth has been achieved by sustaining poverty and material deprivation for a massive majority of the people who live in sub-human dehumanizing conditions without a future. India, for example, represents a dichotomy in development. The number of millionaires and billionaires in India is increasing every year at a higher percentage. According to one study, the number of billionaires has increased from 178 in 2003-2004 to

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<sup>27</sup>Paul Bairoch, *Economics and World History*, Chicago: University of Chicago Press, 1993, 13.

<sup>28</sup>Noam Chomsky, "Free Trade and Free Market: Pretence and Practice," *The Cultures of Globalization*, eds. Fredric Jameson and Masao Miyoshi, Drham, DC: Duke University Press, 1998, 357.



311 in 2004-2005.<sup>29</sup> India took about fifty-five years (after independence) to produce 178 billionaires, but she added 133 in a single year! The developmental programmes and networks, however, do not reach the least and the last Indian.

Poverty of our development has its method of new barbarism, where the contradictions and conflicts are further exacerbated by the inevitable technological divides in our high-tech digital age, leaving the weak even more defenceless and desperate than ever before. Institutional re-ordering and the empowerment of the poor are essential to make globalization work. The expansion of freedom is a nightmare in the presence of distressing poverty. The liberals could see in Sen's contribution the idea of freedom beyond its traditional individualistic interpretation and move to the inclusion of social agenda, but it is a cry far from the actual demand of justice. His "freedom-oriented commitment to development"<sup>30</sup> needs to be transformed by justice-oriented commitment to development. Sen, however, states that "the continued inequalities in the global economy are closely related to various institutional failures that have to be overcome. In addition to the momentous *omissions* that need to be rectified, there are also serious problems of *commission* that must be addressed for elementary global justice."<sup>31</sup> Poverty can be wiped out from the earth if the winners could share with losers in the market transactions. What I mean is giving due justice to each one in the market transaction without omissions and commissions. Market should neither be used as an institution to exploit the poor people nor as a medium to building up empires.

Humanity is a network of relationships based on love and peace. Peace is not a matter of chance or fate. There is a close relation between poverty and violence. Economics cannot withstand by itself distanced from other social sciences. The prevalent reductionist trend in classical science and culture did not spare economics either. Today, economics continues to be as fragmentary and reductionist as any other social science. The basic error of the social sciences is to divide each fabric in social life into fragments, assumed to be independent and to deal with them in separate academic departments. Due to the fragmentation of social fabric, political

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<sup>29</sup>John M. Itty, "Socialism in the Age of Globalization," *Integral Liberation* 7 (September 2006), 90.

<sup>30</sup>Drez and Sen, *India: Development and Participation*, 5.

<sup>31</sup>Sen, *Identity and Violence*, New Delhi: Penguin Books, 2006, 139; emphasis in the original.

scientists neglect basic economic forces, resulting in a failure of economists to see the socio-political consequences of their economic models, which further leads to a dangerous split between social and economic policies. As Schumacher says, "a reckless science and violent technology"<sup>32</sup> cannot ensure peace. The involvement of the world powers in the globalized trade in arms is a typical example of promoting violence. Injustice in the economic and political fields and turbulent growth bring forth conflicts and fighting between nations and individuals. As Gandhi rightly said, "present-day capitalists are responsible for widespread and unjust wars. Most of the wars of our times spring from greed for money."<sup>33</sup> When peoples experience injustice and have no peaceful way of righting the wrong, then they take to violence. Injurious commissions, says Sen, include severely restrictive trade barriers that curb exports from poorer countries.<sup>34</sup> The global capitalism is more concerned with markets than any other institutions of the society. Sen is very much concerned about the problem of inequity and its close relationship with contemporary conflicts. The growing economic inequality will increasingly trigger conflicts in the name of religion, language and ethnicity. Unbridled development without value underpinnings will only lead human beings toward total annihilation. The staggering inequality maintained at the international level and the unfair sharing of resources is getting marginally larger.<sup>35</sup> Destitution and neglect can produce provocation for defying established laws and rules, feeling of resentment and humiliation, and a sense of encroachment and degradation. This may lead to mobilization of the mass of the 'have-nots' to rebel and revolt against the 'haves'. Sen says: "even though poverty and sense of global injustice may not lead immediately to an eruption of

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<sup>32</sup>E. F. Schumacher, *Small Is Beautiful: A Study of Economics as if People Mattered*, 10<sup>th</sup> edition, London: Blond and Briggs, 1980, 143.

<sup>33</sup>Mahatma Gandhi, *The Collected Works*, vol. 8, New Delhi: Government of India, 1968, 371.

<sup>34</sup>Sen, *Identity and Violence*, 139-140. Sen speaks of inequitable patent laws which can serve as counterproductive hurdles for the use of lifesaving drugs – needed for diseases like AIDS – which can often be produced very cheaply, but the market prices of which are pushed high by the burden of royalties. Peace is enjoyed when there is mutual respect and harmonious understanding among individuals and nations. The unwritten style of global capitalists is, however, just the opposite.

<sup>35</sup>Sen, *Identity and Violence*, 134. Speaking of development as the new name for peace, Pope Paul VI reminded that "excessive economic, social, and cultural inequalities ... are danger to peace." *Populorum Progressio*, Bombay: Pauline Publications, 1967, §76.

violence, there are certainly connections there, operating over a long period of time that can have a significant effect on the possibility of violence."<sup>36</sup> The phenomenon of injustice should be replaced with distributive justice and fair operation in relations. Economic destitution may not lead to any immediate violence, but it would be wrong to presume from this that there is no connection between the two.<sup>37</sup>

Sen, who is sensitive to the cause of justice and equity for the attainment of freedom, has strongly advocated the increasing capabilities, entitlements, and social opportunities. He proposes, however, a solution for justice in and through the liberalization of economy and integration with the world market. Sen does not realize that the process of present globalization and liberalization policies are not just and working contrary to the principles of equality and justice. This never helps him to bring about the demands of global justice and peace. Sen's sensibility towards the ground realities and consequent problems still has a neo-liberal outlook. Gandhi, who was a steady crusader against the disorganized socio-economic inequalities and injustices, notes:

Economic equality is the master key to non-violent independence. Working for economic equality means abolishing the eternal conflict between capital and labour. It means the levelling down of the few rich in whose hands is concentrated the bulk of the nation's wealth, on the one hand, and the levelling up of the semi-starved naked millions on the other... A non-violent system of government is clearly an impossibility, so long as the wide gulf between the rich and the hungry millions persists... A violent and bloody revolution is

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<sup>36</sup>Sen, *Identity and Violence*, 145. Sen, in this context, says that the neglect of the plight of Africa today could have a long-run effect on the world peace in future. What the rest of the world, especially rich countries did – or did not do – when at least a quarter of the African population was threatened with extinction through epidemics!

<sup>37</sup>The memory of ill treatment of the Middle East by the western powers for many decades – perhaps even a hundred years – which still hangs around in various forms in West Asia, can be cultivated and magnified by the commanders of confrontation to enhance the ability of terrorists to recruit volunteers for violence. Reinstated justice brings healing, not only the healing of the present, but of the wounded history too. Global injustice always accelerates violence and terrorist activities. Neglect can be reason enough for resentment, but a sense of encroachment, degradation, and humiliation could be easy tools to mobilize rebellion and revolt. For details see, Sen, *Identity and Violence*, 140-147.

certainly one day unless there is a voluntary abdication of riches and the power that riches give and sharing them for the common good.<sup>38</sup> The poor South fails in the competitive markets and free-trade plays. Continuous failing in the trade-play evokes violence, whereas empowerment, say, for example, through “micro credit”<sup>39</sup> and justice brings peace.

### 5. Need for a Paradigm Shift: Alternatives

The modern world is in need of unlearning the Nietzschean thesis, “this world is the will to power – and nothing besides! And you yourselves are also this will to power – and nothing besides.”<sup>40</sup> Today, this “will to power” is manifested in the form of global institutions, which are controlling not only the markets, but regulate the very freedom of the people and of the nations through their self-aggrandisement market policies and practices. When a religion of consumerism that preaches the gospel of free market violently grows by establishing the ideology of market, openly and optimistically looking for alternatives is vital.

#### 5.1. *Oiko-nomics* (Economy) to *oiko-logics* (Ecology)

The word economics is derived from two Greek roots *oikos* and *nomics* which, respectively, mean “household” and “management or measure.”<sup>41</sup> It

<sup>38</sup>M. K. Gandhi, *Constructive Programme: Its Meaning and Place*, Ahmedabad: Navajivan Publishing House, 1981, 20-21.

<sup>39</sup>Jayati Ghosh, “Development as Nobel Cause,” *Frontline*, 3 November 2006, 94. I am reminded, incidentally, of the Nobel Peace Prize for 2006 which was awarded to a well-known economist Muhammad Yunus, for recognizing his innovative work on ‘micro credit’ model of finance for the poor through Grameen Bank in Bangladesh. It shows, at least indirectly, the Nobel Committee’s acknowledgement that peace is not possible without alleviating poverty. What is worth-noting is that Yunus received Nobel Prize not for economics, but for peace. When justice in the area of economic freedom is denied, the scope for a peaceful society becomes jeopardized. The true wellbeing is not merely freedom, but justice and peace – *pax opus iustitiae* – peace is the work of justice. Yunus may not be the pioneer of micro credit, but he is the first one to make this a viable model capable of being copied and scaled up. Against the formal system of banking, where the poor are not ‘bankable’, Yunus’ system concentrates mainly on the poor and village women.

<sup>40</sup>F. Nietzsche, *The Will to Power*, ed. W. Kaufmann, New York: Vintage Books, 1968, 550.

<sup>41</sup>John F. Babson, “Ecology vs. Economics” 10 January 2008, [www.polyu.edu.hk/~gec/student\\_area/publication/bulletin\\_Oct2000/bulletin2a.pdf](http://www.polyu.edu.hk/~gec/student_area/publication/bulletin_Oct2000/bulletin2a.pdf) [Online].

is often referred to as “management of the (man’s/woman’s) household.” It is inherently human-centred. In a similar way, the word ecology is also derived from two Greek roots *oikos* and *logics* which, respectively, mean “household” and “logic or science or study.”<sup>42</sup> Generally, it is used as a “study of (nature’s household).”<sup>43</sup> Classical economists mainly discussed the “management of the household,” where they failed to include the “nature’s household.” Subsistence economies, which prevail in more remote and less industrialized areas of the world, place much value on ecology and living in harmony within the natural limits of their environment. Development is not necessary in terms of mere industrialization and technological revolutions, but it could be in tune with the nature and the consequent natural and organic forms. Unlike capitalist economies and socialist economies, the Buddhist economic system, for example, is centred on the goal of human fulfilment and the development of character.<sup>44</sup> Smithian understanding has much to do with the contemporary global issues. Smith believed that human beings were by nature interested primarily in their own gain and hypothesized that the common good could be attained if everyone sought what was best for him/her individually. But, when individual freedom and its expansion is given undue emphasis – leading to extreme exploitation of nature and the domination of industrial man – the management of the household contradicts with the nature’s household. Scientific materialism denies the reality of human life, its purpose, and the external world as it is. It is

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<sup>42</sup>Babson, “Ecology vs. Economics” [Online].

<sup>43</sup>The word ‘ecology’ was coined in the 1860’s by a German biologist Ernst Haeckel who introduced the ideas of Charles Darwin to the German public. Babson, “Ecology vs. Economics” [Online].

<sup>44</sup>Capitalist economies emphasize individual freedom while socialist economies emphasize social equity. E. F. Schumacher explained Buddhist economic system as more comfortable and human-centred. For details, see *Small is Beautiful: Economics as if People Mattered*. In the chapter on “Buddhist Economics,” he describes an economic system that is concerned primarily with an individual’s right and ability to live a full and meaningful life. He makes a distinction between mechanization that enhances a person’s skill and power and that which degrades a person to be a slave of the machine and perform dull and repetitious movements. He says the goal of a Buddhist economy is to maximize wellbeing with a *minimum* of consumption. Simplicity and non-violence are the main goals of the economy.

merely utilization of the other – humanity and nature – without any specific goal.<sup>45</sup>

Market fundamentalism of the present-day economics leads us to machination and destroys the authenticity of human person in the transactions. It has been said in economics that the market makes a good servant, a bad master, and a horrible religion! What we need is nature-minded economics, where the management of the household (*oiko/nomics*) and the nature's household (*oiko-logics*) would never contradict.

## 5.2. Chrematistics to Oikonomia<sup>46</sup>

Chrematistics is a word popular in the contemporary world as a branch of political economics. It relates to the manipulation of property and wealth so as to maximize short-term monetary exchange value to the owner. Here, self-interest is the motivating factor in every human action and, thus, attainment of short-term merit at the cost of long-lasting outcomes is planned. *Oikonomia* is the root from which the word economics is derived. It is "the management of the household so as to increase its use value to all members of the household over the long run."<sup>47</sup> Thus, economics is not mere chrematistics but a wide range of household and community, which includes land, resources, institutions, language, history, religion, spirituality and so on. The modern economic trend, however, becomes an academic discipline that is much closer to chrematistics, which follows the deductive method for its abstraction and not *oikonomia*; ours is a world of chrematistics. Daly and Cobb distinguish *oikonomia* from chrematistics in three different ways:

First, it takes the long-run rather than the short-run view. Second, it considers costs and benefits to the whole community, not just to the parties to the transaction. Third, it focuses on concrete use value and

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<sup>45</sup>It is what Whitehead called the fallacy of "misplaced concreteness. See *Science and the Modern World*, New York: Macmillan, 1925, 200. See also Herman E. Daly and John B. Cobb, *For the Common Good: Redirecting the Economy toward Community, the Environment, and a Sustainable Future*, Boston: Beacon Press, 1994, 35-43. According to Heidegger, the present world view is one of 'machination' over against what is handed down to us, for the sake of overcoming and subduing it. Heidegger, *Contributions to Philosophy (From Enowning)*, 27, cited in R. Brad Bannan, *The Quest for Postmodern Ethics*, Bangalore: Dharmaram Publications, 2007, 219.

<sup>46</sup>For this title I owe to Daly and Cobb, who deal with the subject in an elaborate manner in their popular work *For the Common Good*.

<sup>47</sup>Daly and Cobb, *For the Common Good*, 138.

the limited accumulation thereof, rather than on abstract exchange value and its impetus toward unlimited accumulation.<sup>48</sup>

Modern market-driven economic activities are not different from the dynamics of chrematistics because, a short-term benefit is the main concern here. What a share-holder gets out of his or her transaction, what an entrepreneur gains every year as profit, and what a free-trader receives out of his trade-play constitute modern chrematistics. When Sen argues for development even at the cost of agricultural or other traditional works, it falls into the same realm of chrematistics and, thus, looks into the short-term advantage and mere exchange value. In the same way, when the cultural problems keep distanced from the economic predicament, the same problem of reducing the *oikonomia* to the realm of chrematistics is taking place.

### 5. 3. Towards a Self-Reliance Paradigm

The most fundamental notion of today's techno-global theory is that no country aspiring to a reasonable growth rate or living standard can any longer be self-reliant. The world is presumed to be interlinked and dependent upon globalized technologies so much so that self-reliance must supposedly be displaced by a comparatively advantage-based, export-driven, and market-funded development. As important institutions of the society, market and global transactions are inevitable for the expansion of freedom, according to many contemporary economist-thinkers. For them, market is not an option, but a necessity. They consider market's driving force as the essential element in development and progress. International trade, despite the name, is not trade among nations, but trade among individuals who conduct business beyond national boundaries. The individual, not the nation, is the decision-making unit. The extreme situation of the present trade could be understood in terms of the following dictum: "he trades freely, but he or she is no longer free not to trade." This should be deconstructed in order to establish each national community by its own power to act for the community. Self-reliance is the autonomy necessary for self-respect, non-exploitation and moral development. Dunkley defines self-reliance as "the degree of political, economic, cultural or other autonomy required for adequate national sovereignty in seeking to achieve a society's aspirations, especially with regard to social

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<sup>48</sup>Daly and Cobb, *For the Common Good*, 139. The prevalent culture of fast-food may be a typical example of short-term benefits.

justice, environmental sustainability and cultural integrity, for all people and groups both domestically and internationally.”<sup>49</sup> Sen’s notion of capacity expansion is important but not enough. Self-reliance is not dogmatic adherence to national boundaries but should include multicultural tolerance of pre-existing sub-national groups. The Buddhist principle of “priority to locals,” i.e., serving local needs from local resources, should take precedence over, but not preclude, more distant relationships.<sup>50</sup> Local development is the principle where the development centres on regions, communities or localities, and more national self-reliant units. Although a country may go to international market for certain products, it is a fact that many of the products need to be sold and bought in the local markets.

#### 5.4. Freedom to Justice

Freedom, for Sen, is not only the ultimate end of development; it is also the crucial and effective means. According to him, by giving more opportunities and choices, freedom could be widened. Freedom without justice, however, creates disorder and chaos. Although globalization announces maximum freedom to the individual, it gives less importance to justice. Sen notes:

It is necessary to re-examine the balance of power in the running of the different institutions that make up the global architecture. The present institutional architecture was largely set up in the middle 1940s, on the basis of the understanding of the needs of the world economy as interpreted in the Bretton Wood Conference held just as the Second World War was coming to an end. That framework did help to foster trade and development, but not much distributional equity – either in economic or in the political sphere.<sup>51</sup>

Acceptance of the dangers of capital market liberalization and the short-term capital flows (hot money) imposes huge externalities, where costs are borne by those not directly party to the transaction. In the same way, most developing countries have weak safety nets, including lack of unemployment insurance programmes. Even in more developed countries, safety nets are weak and inadequate in the two sectors that predominate in developing countries as well, i.e., agriculture and small businesses. So,

<sup>49</sup>Graham Dunkley, *Free Trade*, Bangalore: Books for Change, 2004, 164-165.

<sup>50</sup>Schumacher, *Small is Beautiful*, 49.

<sup>51</sup>Sen, “What Difference Can Ethics Make?” 20 November 2007, [www.iadorg/etica/ingles/index-i.htm](http://www.iadorg/etica/ingles/index-i.htm) [Online].



international assistance will be essential if the developing countries are to make substantial strides in improving their safety nets.<sup>52</sup>

Proper governance and due justice are possible only in the context of a functional democracy. It can help and protect the poor from the powerful and the exploiters. Man/woman is by nature a political animal and he or she cannot have freedom apart from the society. Freedom-centred 'free-trade' is ultimately a game without rules and regulations. Many a time, the hook and crook of wealthy and developed nations dominate in the freedom approach. Although it theoretically endorses freedom, it does not seem to 'walk the talk' and, thus, justice of the poor and the marginalized is terribly denied or neglected. Free trade is the weapon of the strong and protectionism is the shield of the weak!

Here, it is worthy to note Derrida's radical stand for justice. Against Fukuyama's book, *The End of History and the Last Man* (1992), which extols the global spread of liberal democracy in conjunction with the free market as the remedy to enhance wealth of the nations, Derrida responds that this announcement of 'good news' is fraudulent because it is not at all concerned about those who fall out of the boat.<sup>53</sup> In this "world-wide economic and social field," Derrida insists that the basic rights of men/women and children are to be respected. He associates 'democracy' as it should be with unconditional respect for, and hospitality to the neighbour, the other, the stranger, and this is on a universal scale, without the exclusion of anybody, any race or ethnicity. It is a new Cosmopolitanism and radical hospitality. Borradori notes:

[Derrida's] plea for an 'impossible' hospitality clashes, to be sure, with the objectives of a purely economic globalization, which promises a greater interconnectedness among people, but in fact only benefits the powers that be. But precisely for this reason, his idea of an 'impossible' hospitality holds out the perspective of a 'globalization from below' – one in which the 'stranger' is welcomed

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<sup>52</sup>Stiglitz, *Globalization and Its Discontents*, 239.

<sup>53</sup>Jacques Derrida, *Specters of Marx*, trans. Peggy Kamuf, New York: Routledge, 1994, 64. Derrida is referring to globalization, though he does not use the term globalization, which was not yet a common currency when he wrote on this subject.

without reserve, irrespective of his or her nationality, gender, race or religion.<sup>54</sup>

Justice to the dalits, tribals, and the other 'voiceless' people has to be urgently given instead of multiplying the opportunities and choices exclusively for the so-called upper class people in the society. For the real freedom and emancipation of the downtrodden, they must be given justice first. That is what Derrida calls forth in terms of the notion of "messianicity."<sup>55</sup> If globalization is the corporate agenda for a total corporate control, justice ensures the protection of environment, people's survival and livelihood. To create a new form of society, interdependence should give rise to new and broader expressions of solidarity which respect the equal dignity of all peoples, rather than leading to domination by the strongest, to national egoism, to inequalities and injustices. Our developmental programme, thus, guarantees distributive justice, a sort of social cybernetics in which the last man in the last row is the first and foremost beneficiary of development.

### 5.5. Individualism to Person-in-Community

By following the 'self-interest' theory of Adam Smith, which for many others became normative, individualism of human behaviour is dominant in the dealings of every individual in society. There is no place for fairness, benevolence, love and concern of life of the other and the neighbour. Even when some help is done, for Smith, it is a public virtue that could be easily identified as private vice. Where sympathy or benevolence is not reliably operative, only self-love can function as a motive. Following Smith, Sen also considers individual's capabilities and entitlements as extremely important, leading to an absence of focus on person-in-community. The classical *Homo economicus* is "a radical

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<sup>54</sup>Giovanna Borradori, *Philosophy in a Time of Terror: Dialogues with Jurgen Habermas and Jacques Derrida*, Chicago: The University of Chicago Press, 2003, 129. In his literary style, Derrida often speaks of an 'impossible' justice; he also speaks of an 'impossible' gift, an 'impossible' hospitality, 'an impossible' altruism, whereby the qualification 'impossible' points to something 'excessive' that rips apart the ordinary.

<sup>55</sup>Here Derrida offers a reinterpretation to the biblical notion of messianism as messianicity, "an impossible justice to come." It is a radical hospitality, as in the case of the Good Samaritan in the Bible. Messianicity is no more a religious phenomenon as such, but refers to an unconditional hospitality towards the other. Derrida, *On Cosmopolitanism and Forgiveness*, trans. Mark Dooley and Michael Hughes, New York: Routledge, 1997, 13-14.

abstraction from social reality.”<sup>56</sup> Here, an individual is identified as a consumer, a worker, and a participator in the market. It is really a dehumanizing act of reducing human beings to mere objects of transactions as in the old barter system and as an instrument to be utilized in the modern economic practices. We are part of a community. A self-contained person is merely a wild imagination; such a person does not exist in the real world. *Homo economicus*, as a self-contained atom of methodological individualism and as the pure social being of collectivist theory, is resulting from baseless abstractions. We are individual persons, but our very individual identity is defined by the quality of our social relations. The things and elements in the cosmos are interrelated and interconnected. Stiglitz holds that “markets, governments, and individuals are three of the pillars of a successful development strategy. A fourth pillar is communities, people working together, often with help from government and nongovernmental organizations. In many developing countries, much collective action is at the local level.”<sup>57</sup> Developmental thinkers consistently and systematically destroy existing traditional communities, especially in the rural areas where most people in the developing world continue to live. In brief, we believe that it is a folly to sacrifice existing institutions of community at the national level in the supposed service of nonexistent institutions of community at the world level. Better to build and strengthen the weakening bonds of national community first, and then expand such communities by federation into larger trading blocks among national communities.

## 6. Conclusion

Human freedom is not simply freedom ‘from’ something but freedom ‘towards’ something as well. Freedom, however, is to be explained in terms of responsibility in the social context. This responsibility “is neither sentimentalism nor the naïve romanticism of being moved by the miserable and marginalized poor. Its affectiveness must turn into effectiveness, its dedication to the other into ‘works’ of care for others.”<sup>58</sup> In the corporate circle, Corporate Social Responsibility (CSR) is a popular

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<sup>56</sup>Daly and Cobb, *For the Common Good*, 161.

<sup>57</sup>Stiglitz, *Making Globalization Work*, New Delhi: Penguin Books, 2006, 51.

<sup>58</sup>Levinas, *Difficult Freedom: Essays on Judaism*, 93, cited in Roger Burggraeve, “The Voice of Marginal and the Poor,” *Jnanadeepa* 10, 1 (January 2007), 94.

expression with varied motives. Even big corporations are convinced of the fact that if they do not observe their responsibility to the society, in the long run it will affect the destiny of the firm itself. At times, they do publicity also by involving in certain philanthropic actions towards the society. The repressed 'other' has not been given much importance within modernity. The face of the other should be the source of responsibility. At the same time, in the words of Levinas, "the poor, the widow, the orphan and the stranger"<sup>59</sup> call for a radical alterity. The 'mathematical' and 'calculative thinking' prevalent in the developmental discourse should be transformed into 'meditative' and 'commiserative' thinking so that development becomes not only holistic and integral, but also empowers the poor, downtrodden and the weak. Mathematical thinking, devoid of all passions for real development and uplift of the whole humanity, works to reduce the world to a mere mathematical formalism, "whose medium is number, the most abstract form of the immediate," and it "holds thinking firmly to mere immediacy."<sup>60</sup> In other words, any sort of 'instrumental rationality' or 'instrumental reduction' is against the value of human dignity. The marginalized and the poor are no longer reduced to 'target groups' and 'objects', meaning to say, 'beneficiaries of development', but are transformed into 'subjects' and agents of their own development.

Gandhi identifies seven ills that afflict the modern-day civilization. They are, "politics without principles, science without humanity, commerce without morality, wealth without work, worship without sacrifice, pleasure without conscience, and knowledge without character."<sup>61</sup> Today, man/woman is languishing in the midst of affluence without enjoying the warmth of multiple human bonds and the intimacy and reciprocal recognition and response of a community living. This demands "a new and transcendent humanism"<sup>62</sup> where we value man above materials, need above greed, ecology above economics, ethics above affluence, community-interest above self-interest and so on.

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<sup>59</sup>Levinas, *Totality and Infinity: An Essay on Exteriority*, 28, cited in Burggraefe, "The Voice of the Marginal and the Poor," 95.

<sup>60</sup>Gnana Patrick, "Development as Quasi-Religious: A Critical Appraisal," *Janadeepa* 10, 1 (January 2007), 128.

<sup>61</sup>Gandhi, *The Collected Works*, 8:362.

<sup>62</sup>Paul VI, *Populorum Progressio*, Bombay: Pauline Publications, 1967, §16.