

DEVELOPMENT AS FREEDOM. BY AMARTYA SEN. NEW YORK: ALFRED A. KNOPF. 1999.

Amartya Sen's wide-ranging book grasps a point ignored by many economists. Economists are generally alive to the virtues of markets, and few since the collapse of communism have a good word to say about central planning. Commonly, though, economists defend markets strictly on grounds of efficiency: the free economy "gets the job done" in a way that socialism cannot match.

Professor Sen sees deeper than this. The freedom to trade counts as an intrinsic human right, valuable apart from its contribution to economic growth.

To be generically against markets would be almost as odd as being generically against conversations between people. . . The freedom to exchange words, or goods, or gifts does not need defensive justification in terms of their favorable but distant effects. . . . The contribution of the market mechanism to economic growth is, of course, important, but this comes only after the direct significance of the freedom to interchange—words, goods, gifts—has been acknowledged. (p. 61)

Our author elaborates this insight in a striking way. Familiar arguments prove the inefficiency of centralized socialism. A socialist system fails, as compared to the market, "both because of the economy of information (each person acting in the market does not have to know very much) and the compatibility of incentives (each person's canny actions can merge nicely with those of others)" (p. 27).

Let us suppose, though, that these arguments allowed an exception. However unlikely, let us imagine that a centralized system in a given case turns out equally efficient to the market. (Incidentally, I am not altogether clear that Professor Sen thinks this case impossible. He says that the case is "contrary to what is generally assumed" (p. 27) and that the argument for the market mechanism is strong; but he does not go beyond this.)

Still, our author claims, we would have reason to reject the centrally controlled system. "It is not hard to argue that something would be missing in such a scenario, to wit, the freedom of people to act as they like, in deciding on where to work, what to produce, what to consume and so on" (p. 27).

That is well said; and one can easily imagine this line of thought extended to a resolutely Rothbardian conclusion. Our author, well-known as a social democrat, declines this proffered extension. Libertarianism, he contends, suffers from a radical flaw.

Is not a free market order consistent with disastrous states of affairs? Can we not have a famine in which everyone has his free-market rights respected? “[E]ven gigantic famines can result without anyone’s libertarian rights (including property rights) being violated. The destitute such as the unemployed or the impoverished may starve precisely because their “entitlements”—legitimate as they are—do not give them enough food” (p. 66).

The point of Professor Sen’s argument is not readily apparent. A free market order delimits a sphere of property rights: it is not, as Murray Rothbard never tired of insisting, a complete system of morality. Why is it even a *prima facie* consideration against the free market that under it, certain people may not have a right to food? It does not follow that these people will starve: that depends on the charity of those more fortunately situated. And of course a supporter of the market can maintain that those who refuse to help their fellow citizens have acted contrary to moral duty.

All that the libertarian contends in the famine case is that forcible interference with property rights cannot be justified by the need of others for food. Our author will no doubt dissent; the unfortunates’ need for food, he will say, morally justifies taking property. Well and good: here he has a substantive disagreement with libertarians.

I do not propose to assess here these competing claims about rights. My point is a more limited one. If Sen thinks that libertarians have the wrong set of rights, let him, if he can, show this. But it is not a point against libertarianism just to say that it is an incomplete theory of morality. If everyone committed suicide, this need involve no violation of property rights: does this fact show a defect in market morality?

Perhaps (though I doubt this), Professor Sen’s point about famines and the market differs from what I have so far represented it to be. He may intend an empirical claim: The free market, he may think, cannot cope adequately with sudden food shortages.

If this is his point, he has failed to make an adequate case for it. He describes in some detail (pp. 166ff) measures he thinks necessary to prevent sudden food shortages from turning into famines. These measures involve concerted action of various kinds: but why must these come about only through governmental coercion? Are not people who wish to institute schemes of the required kind perfectly free in a market society to do so? Sen would probably claim that externalities block effective voluntary action on the required scale; but he does not argue the point here.

Our author embeds his famine example in a more general claim about libertarianism. It, along with other moral systems such as utilitarianism, fails to consider enough relevant information. Once the libertarian sees that rights as he defines them have been violated, that ends the matter. No other factor is relevant. In like manner, the utilitarian flattens out morality so that only his favored

dimension counts. A true conception of morality, Sen holds, considers all relevant factors. The heterogeneous character of morality cannot be denied, libertarians and utilitarians to the contrary notwithstanding.

One may readily concede to Professor Sen that his “capability approach,” which takes into account a varied list of consequentialist and neo-consequentialist factors, rests on a wider “informational base” than libertarianism. But to assume that the wider the base, the better, is blatantly to beg the question. Just the point at issue is which considerations are relevant. It would not be a good argument for libertarianism that this system is simpler than Sen’s: in like fashion, it is a poor argument for Sen’s system that his view considers more factors than competing theories. Again, if Sen’s point is not “the more factors, the better,” but rather that libertarianism ignores obviously relevant considerations, this is a substantive disagreement. But then Sen must argue for his claim, or allege it to be intuitively evident that his claim is true. It does not suffice, as he apparently thinks, to point out that libertarian ethics sins by omission. That just is the question-begging “more is better” thesis.

I have here been able to touch on only a few themes in this rich and complex book. Many other points deserve the reader’s careful attention. I found especially valuable the author’s criticism of the coercive Chinese population program (pp. 219ff) and his cogent argument that identical choice behavior does not imply identical utility functions (pp. 68–69).

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