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recognition to ethical dimensions of  
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## **Nobel Prize for Amartya Sen: A Recognition to Ethical Dimensions of Economics\***

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An important aspect of conventional economic theory has been exclusion from consideration of the effect of exogenous forces, ethical factor in particular. The assumptions on which the economic science is based presents the picture of man as selfish, acquisitive and highly individualistic, with the sole objective of maximization. The fact is that a hundred motivations impel him, and very often other attributes override or blunt the acquisitive maximizing orientation. Nobel prize to Professor Amartya Sen is a recognition to value based orientation and ethical dimensions of economics, and it is this aspect that invites attention of all those who plead for the role of human values and ethics in economics. The focus in award of Nobel prizes in the past tended to be on the technical aspects of the field. But the award of prize to Amartya Sen heralds a new era in economic science and that is why it caught our attention. He linked economics not to the 'iron laws' of supply and demand but to the real world, men of flesh and blood, choices and transaction that involve values, institution and patterns of behaviour. According to Professor Sen, the distancing of economics from ethics has impoverished welfare economics and also weakened the basis of a good deal of descriptive and predictive economics. To him economics can be made more productive by paying greater and more explicit attention to ethical considerations that shaped human behaviour and judgment Prof. Sen is not alone in his emphasis on place of values and ethics in economics. The whole discipline of Islamic economics is value based and a number of leading economists endeavour for restoration of values and ethics in economics. They are also emphasized by all religions and right thinking people. And that is the common ground for cooperation among different people in a pluralistic society like India.

Empowerment of the poor is Professor Sen's another remarkable contribution to economic theory. He has focused on the poor, viewing them not an object of pity required charitable hand-outs but as disempowered folk needing empowerment. Education health, nutrition, safety nets in times of distress all are needed to empower people. In his several studies of famines Prof. Sen has shown that the problem in drought is a lack of purchasing power rather than food. He has made it clear with the example of Irish potato famines of 1840s and Ethiopian famine in the late 1970s. Food from

these countries moved out to areas with higher food availability, because the market drives food to where the money is, not where empty stomachs are. While reading Prof. Sen's ideas on empowerment of the poor we are constantly reminded Islam's concern for the poor. Apart from the permanent share of the poor in assets of the rich in the form of *zakah* (ranging from 2.5% to 20%), there are provisions of *kaffarat*, *awqaf*, *nudhur*, voluntary expenditure, neighbourly rights etc. for their nutrition, health and education. If they are effectively and collectively applied, they will have certainly a miracle effect in empowerment of the poor.

No doubt, the Nobel Prize for Professor Sen is an acknowledgement that market dogma has run out of steam: a new approach is necessary. It will promote greater interest in the issues which he has helped highlight viz. ethical choices and public policies for empowerment.

\* *Islamic Economics Bulletin*, September-October 1998, 8:5 p. 1