

Poverty and informed reasoning

Foreword special issue "Fighting poverty, between market and gift"

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**Electronic version**

URL: <http://journals.openedition.org/factsreports/1613>

ISSN: 1867-8521

Publisher

Institut Veolia

Electronic reference

Amartya Sen, « Poverty and informed reasoning », *Field Actions Science Reports* [Online], Special Issue 4 | 2012, Online since 10 June 2012, connection on 10 June 2020. URL : <http://journals.openedition.org/factsreports/1613>

Foreword

Poverty and informed reasoning

Amartya Sen

Lying in his death bed in 1776, David Hume wrote a moving letter of good-bye to Madame Boufflers, with whom he was almost certainly in love. «I see death approach gradually without any anxiety or regret,» wrote Hume to the Comtesse, adding, «I salute you, with great affection and regard, for the last time.» It is hard to think that Hume would not have, at that time, looked nostalgically also at the world of ideas and reflections, to which too he was saying goodbye, and with which he was also certainly much in love. Hume was deeply involved in analyzing and investigating our knowledge of the external world—his contributions to epistemology would transform the subject—but he was no less interested in scrutinizing our internal world of feelings, morals and reasoning.

When this engaging collection of essays, to be published in the new—but already flourishing—periodical, *FACTS Reports*, landed on my desk a few months ago (in December 2011), I was reminded of Hume’s insistence that neither our sentiments nor our practical reason can be taken to be a free-standing subject. The reading of facts has a critically important role in the formation of our feelings as well as in the development of our reasoning. Three centuries separate us today from David Hume’s birth in 1711, and last year—even as I started reading this admirable collection of essays—we were still celebrating the 300th anniversary of the birth of this central figure of European Enlightenment.¹ It is particularly important in our own time to take note of the inescapable connection between our knowledge and our reasons, including ethical reasons, and to appreciate the crucial role of our factual understanding in the formation of our commitments, including our resolution to fight poverty.

1 Ethics, Altruism and Human Understanding

This fine collection of essays ends with an illuminating short contribution by Philippe Kourilsky, and his reasoning here draws on arguments that he has powerfully developed in his two ground-breaking books on the importance of altruism in our time, and the outlines of a manifesto to pursue what is so

badly needed in the world today.² Our comprehension of facts about the world in which we live, and about how it can actually be changed, is central to Kourilsky’s analysis. In this respect, Kourilsky is strongly in the tradition of Hume—affirming the importance of moral reasoning while refusing to take it to be a free-standing subject. Like Hume, Kourilsky too would not allow our ethics to be divorced from what we know, what we can reasonably expect, what we feel, what we have reason to consider, how our reasoning can come in many different forms, and how we should think about our obligations to a world which we can actually transform—in line with our reasoned values.

The collection of essays in this special issue contributes richly to that grand engagement, in the particular context of fighting poverty. What we know about the external world powerfully influences our internal world of reflections and sentiments. And our reflected sentiments, in turn, have a profound impact on our pursuit of ethics and practical reason.

The forceful bearing of our reading of facts on our sentiments and reasoning is a central feature of human understanding (to use one of Hume’s favourite terms), linking epistemology, psychology and moral philosophy. It would be hard to exaggerate the relevance of Hume’s approach to the philosophy behind the journal *FACTS REPORTS* and also to the motivation underlying the essays in this special issue. Our understanding of facts is crucial to our assessment of what policies would—or would not—be appropriate, and to our practical reasoning in general.

Consider the idea of justice. The overarching concern in understanding justice is the need to avoid, to the extent we can, having unjust relations with others, and proceeding further, to cultivate appropriate sentiments about others.³ What has fuelled passions about justice over the ages is the diagnosis of injustice in on-going arrangements—in distinct forms in different times—between people. We cannot, however, go any distance in this exercise without giving a central place to the reality that we can—however hesitantly—comprehend. Even though the methodology of on-going philosophy of science is

¹ My own tribute to David Hume, on this occasion, came in my centennial lecture, “David Hume and the Demands of Ethics,” at the University of Edinburgh, which is published in a shortened form as “The Boundaries of Justice: David Hume and Our World,” *The New Republic*, December 29, 2012.

² Philippe Kourilsky, *Le Temps de l’altruisme* (Paris: Odile Jacob, 2009), and *Le Manifeste de l’altruisme* (Paris: Odile Jacob, 2011).

³ In this collection, Alain Supiot’s paper (“Poverty through the Prism of the Law”) touches on some closely related subjects in the understanding of poverty, focusing on issues of solidarity and injustice that are inescapably linked with the diagnosis of poverty.

much concerned with—and to some extent obsessed with—the presence of implicit values in our reading of facts, it is no less important to see the role of implicit facts in the determination of our values and commitments. Facts—or the reading of them—are indeed central to the formation of our values.

Let me give an illustration. In an important essay, called “Of Justice,” written in 1751, Hume discussed how our sense of justice inescapably expands as we come to know more—often through growing relations of trade and commerce—about people of whom we previously knew almost nothing. As a result, the spread of economic globalization enlarges the reach of our ethical ideas of justice. As Hume put it, “again suppose that several distinct societies maintain a kind of intercourse for mutual convenience and advantage, the boundaries of justice still grow larger, in proportion to the largeness of men’s views, and the force of their mutual connexions.”⁴ This “gradual enlargement of our regards to justice” comes about as a result of our coming to know about more facts—in particular facts about people who were effectively unknown to us earlier.⁵ If we know nothing—or almost nothing—about a group of people, it is hard to talk about their needs, their entitlements, or their freedoms. We have good reason to pay attention to others as we acquire greater knowledge of their lives, along with our growing connections with them. The dependence of ethics and moral sentiments on our knowledge about people and their lives, and about the reality of the impact that our actions can have, is as central to our ideas of justice, as it is to Philippe Kourilsky’s important concept of “altruity.”⁶

2 Importance of More Knowledge and Understanding

The role of epistemology for practical reason is clearly an important motivating factor behind the new journal *FACTS Reports*. And in this special issue, the general engagement underlying the basket of problems that has been taken up—led by Jean-Claude Berthelemy (of Sorbonne) and David Menasce (the editor of this special issue)—is of extraordinary importance: how to fight poverty with more understanding, and in particular how to discern more fully the role of markets and gifts in that fight. Given the momentous theme and the quality of the contributions, we have very good reason to welcome this collection of essays on this important subject. I shall not attempt to summarize—or to comment on—these diverse articles on different aspects of this general topic. Their respective importance would be clear to the reader.

I will, however, use this opportunity to comment on two of the contributions in this collection to illustrate the general point about the centrality of facts with which I began—a

subject that is closely linked with the idea of having a journal of this kind at all. Facts, including facts about poverty and about ways and means of fighting it, have importance of their own in human understanding, and so does the presence—often implicit—of facts in the nature of our values, including the value of combating poverty.

In her paper, Laurence Fontaine provides a critique of the reach of the market mechanism in fighting poverty.⁷ While most of the standard criticisms of the market economy tend to take the form of pointing to the distortions that market-based incentives generate, or to the “externalities” that the market prices ignore, or to the inequities in capital ownership that differential accumulation fosters, Fontaine takes quite a different track in pointing to the exclusions from the vast benefits of the market mechanism that have been forced on ordinary people. The loss of participatory opportunities of the poor in the market mechanism is well illustrated and brilliantly discussed by Laurence Fontaine. The far-reaching impact of such banishment is one of the underinvestigated features of contemporary poverty analysis, and one hopes that Fontaine’s analysis in this essay, and her other publications, will help to remedy this neglect.

It is also important to investigate further the hopeful signs that Fontaine sees in such expanding phenomena as yard sales or car-boot sales, and the use of eBay and other auction websites, and in the development of micro-credit as a new market-related instrument. She notes in these evolutions the impact of “a desire on the part of ordinary people to take back ownership of the market,” but she goes on to note the counteracting moves in the form of “the efforts being made by established vendors to shut off access to the market or to prevent its expansion.” As we know from recent debates about the role and impact of micro-credit, these new moves and countermoves deserve much greater attention and scrutiny.⁸ Laurence Fontaine has made a definitive departure in leading further work on this underinvestigated aspect of fighting poverty, and we have much reason to be grateful to her.

The other paper I will comment on is by Esther Duflo, “The Price is Wrong.” Providing commodities that are important for the lives of the poor but which the poor cannot afford to buy (or even find in the regular markets) has an obvious role in fighting poverty. Good illustrations of such products can be found in insecticidal bednets, water disinfectants, and handwashing soap, to choose a few prominent examples. The question that immediately arises is whether such goods should be given away, free of cost, to the poor, or whether there should be a small charge. Based primarily on abstract reasoning, supplemented with rather incomplete investigations, the development community has, to a great extent, come to accept the case for charging small fees to

⁴The essay “Of Justice,” written in 1751, was published in Hume’s *An Enquiry Concerning the Principles of Morals* in 1777; republished, La Salle, III: Open Court, 1966, p. 25.

⁵I have discussed this Humean issue in my essay “David Hume and Our World” (2011) and also the relevance of these connections for a theory of justice, in my book, *The Idea of Justice* (London: Penguin, and Cambridge, MA: Harvard University Press, 2009), Chapter 17.

⁶See Kourilsky, *Le Manifeste de l’altruisme* (Paris: Odile Jacob, 2011).

⁷Laurence Fontaine, “Les enjeux du marche dans les strategies de survie des familles de l’Europe preindustrielle” (“The Influence of the Market on Household Survival Strategies in Preindustrial Europe”).

⁸One of the important papers in this collection is jointly authored by Muhammad Yunus (the pioneer of micro-credit in Bangladesh—and now across the world—in the form of Grameen Bank), along with Thierry Sibieude, “Social Business and Big Business: Innovative, Promising Solutions to Overcome Poverty?”

combine an expansion of access with prevention of waste and facilitation of sustainability. Duflo presents a convincingly reasoned case for not falling for this increasingly common presumption, masquerading as “policy wisdom.”

Based on a wide range of empirical studies, with randomized sampling, Esther Duflo comes to the conclusion that this policy wisdom is based largely on ignorance, rather than well-scrutinized knowledge. These small fees raise very little revenue, but dramatically reduce access to critically important products for the poor. The procedure seems to deprive most particularly those whose need for these products is the greatest. It makes little contribution to preventing waste, and the prevalence of these small fees does not seem to enhance the future willingness of the erstwhile poor to pay for it more fully. There might, of course, be some other case for using the small-charge procedure (such as giving the providers more incentive to stock supplies), but it is not at all clear that these incentives cannot be more effectively built in other ways.

The overall impact of Duflo’s paper is a comprehensive debunking of one of the most cherished illusions about policy wisdom. Since the procedure of charging small fees is now very widespread, and becoming more and more so, Duflo’s definitive analysis provides a hugely important corrective of a common and growing practice—based on more knowledge and a far-reaching analysis of facts. This is a remarkable contribution to the literature on development practice, founded on well collected and well investigated data, and truly astute policy analysis.

Before I end, I would want to record my belief that David Hume would have felt vindicated by the excellent examples in this collection of essays of the way practical reason and policy making can be immensely enriched by robust factual analysis. Well-researched factual analysis does, of course, have significance of its own (for knowledge has its own value), but it can also be critically important for the flowering of moral and political reasoning. The need for pursuing the epistemic roots of ethics and of policy making has never been greater.