The support that believers in, and advocates of, self-interested behavior have sought in Adam Smith is, in fact, hard to find on a wider and less biased reading of Smith. The professor of moral philosophy and the pioneer economist did not, in fact, lead a life of spectacular schizophrenia. Indeed, it is precisely the narrowing of the broad Smithian view of human beings, in modern economics, that can be seen as one of the major deficiencies of modern economic theory. This impoverishment is closely related to the distancing of economics from ethics.

-AMARTYA SEN

IN THE PRECEDING CHAPTERS I criticized the arguments for the fact/value dichotomy. I showed, first, that both historically and conceptually those arguments originated in an impoverished empiricist (and later an equally impoverished logical positivist) conception of fact, and second, that if we do not see that facts and values are deeply "entangled" we shall misunderstand the nature of fact as badly as logical positivists misunderstood the nature of value. In this chapter (as I have promised) I shall relate these issues to the work of Amartya Sen, work that has transformed our understanding of what "classical economic theory" was about in addition to having important implications for questions of global welfare. The value of Amartya Sen's contribution is, of course, widely recognized (as the award of a Nobel Prize in economics in 1998 confirms). Although this would
have been my plan in any case, I note the pleasant coincidence that Sen was also the Rosenthal Lecturer in 1998!

We can say by twisting Shakespeare a little, that while some men are born small and some achieve smallness, A dam Smith has had much smallness thrust upon him.

-AMARTYA SEN 1)

Vivian Walsh, who, like Amartya Sen, is both a moral philosopher and an economist, 5 has recently traced the development of what he calls "the revival of classical [economic] theory during the twentieth century" with special attention to Amartya Sen's place in what Walsh sees as the emerging "second phase" of that theory. 3 He begins his narrative by pointing out that the "habit of concentration on a few key issues of classical theory" was a prominent feature of the work of the theorists who initiated the revival of classical economics at the beginning of the twentieth century; "and their main preoccupation was naturally with Ricardo." 4

As Walsh has noted elsewhere, Ricardo himself never lost sight of the deep moral implications of Smith's analytical contribution. 5 But Ricardo knew that he was not a trained moral philosopher, and so (as he himself tells us) 6 he "confined his attention to those passages in the writing of Adam Smith from which he sees reason to differ." Walsh points out that this "Ricardian minimalism" was a notable characteristic of the work of Piero Sraffa, von Neumann, and others, but this is not a criticism of Sraffa or von Neumann or their contemporaries. As Walsh says, "In fact such a minimalism reflected the most critical need for the revival of classical theory: the most precise possible mathematical development of the structure of the theory." 7

A similar point is made by Sen himself (note that Sen's term for what Walsh calls "minimalism" is "the engineering approach"): "There are many issues on which economics has been able to provide better understanding and illumination precisely because of the extensive use of the engineering approach: 8 Sen characteristically adds that "these contributions have been made despite the neglect of the ethical approach, since there are important economic logistic issues that do
call for attention, and which can be tackled with efficiency, up to a point, even within the limited format of a narrowly construed non-ethical view of human motivation and behavior." (Sen gives as an illustration the development of general equilibrium theory, which, he says, brings out "important interrelations that call for technical analysis of a high order.")

If it was important in the twentieth century to perfect the mathematical tools of the "minimalist" approach, Sen insists that something additional is needed now. "The impoverishment of welfare economics related to its distancing from ethics," he writes, "affects both welfare economics (narrowing its reach and relevance) and predictive economics (weakening its behavioral foundations)." However, if we are to understand Sen's place in history, the reintroduction of ethical concerns and concepts into economic discourse must not be thought of as an abandonment of "classical economics"; rather it is a reintroduction of something that was everywhere present in the writings of Adam Smith and that went hand-in-hand with Smith's technical analyses. This is something that Sen himself stresses; again and again he points out that Adam Smith is being misrepresented by those who would construe him as the prophet of "economic man." Those who see Smith in such a way are fond, of quoting the following passage: "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages." Sen's dry comment on this use of the passage is:

While many admirers of Smith do not seem to have gone beyond this bit about the butcher and the brewer, a reading of even this passage would indicate that what Smith is doing here is to specify why and how normal transactions in the market are carried out, and why and how division of labour works, which is the subject of the chapter in which the quoted passage occurs. But the fact that Smith noted that mutually advantageous trades are very common does not indicate at all that he thought that self-love... could be adequate for a good society. Indeed, he maintained precisely
the opposite. He did not rest economic salvation on some unique motivation. 11

Walsh’s term "second phase classical theory" is thus the right term for the Senian program. That program involves introducing ethical concerns and concepts into economics without sacrificing the rigorous tools contributed by "first phase" theory.

ETHICS AND ECONOMICS

In Ethics and Economics as well as in his many papers and lectures, Sen has sought to challenge standard economists' picture of (1) what economic rationality requires; (2) what the motivations of economic actors can realistically be assumed to be; and (3) what criteria of economic performance and social well-being welfare economics can legitimately use.12 In addition, he has not only enriched our understanding of such tragic phenomena as famine and the millions of "missing women" (that is, the shorter life-expectancies of women as compared with men in large parts of the world), but he has also proposed a positive approach to the evaluation of wellbeing, the "capabilities approach."

I shall say something about each of these, and then close by connecting my discussion to the topics in the first two chapters.

(1) Does One Have to Be Selfish to Be Rational?
"How is rational behavior characterized in standard economic theory? It is fair to say that there are two predominant methods of defining rationality of behavior in mainline economic theory. One is to see rationality as internal consistency of choice and the other is to identify rationality with maximization of self-interest." 13

Amartya Sen has written extensively on questions concerning the notions of consistency of both preferences and choices (and the relation between choices and preferences).14 But quite apart from the question as to just how these consistency notions are to be interpreted mathematically (and the important question as to whether the notion of purely internal consistency is itself cogent), the idea that internal consistency of choice can be a sufficient condition of rationality seems
absurd, as Sen notes. Once we give up the idea—itself the product of a narrow verificationism—that one's choices must flawlessly "reveal" one's values, it is impossible to avoid the question of the relation of a person's choices to his or her values, as well as the question of the evaluation of those values themselves. The idea that only self-interested values are "rational" is even harder to defend. In part the prestige of this idea in economics derives from the false supposition that it is what Adam Smith taught, an idea that, as we have already seen, depends on a misreading of Smith that Sen has repeatedly and consistently tried to correct.

(2) The Motivations of Economic Actors
Often economists defend the strategy of assuming that economic actors are "rational" as what Sen calls an "intermediary" strategy: actual behavior is identified with rational behavior, on the ground (or methodological hope) that actual behavior is close enough to rational for this "simplifying" assumption to work, and then rational behavior is assumed to be identical with self-interested behavior.

Sen's uncharacteristically savage comment is as follows:

The complex procedure of equating self-interest with rationality and then identifying actual behavior with rational behavior seems to be thoroughly counterproductive if the ultimate intention is to provide a reasonable case for the assumption of self-interest maximization in the specification of actual behavior in economic theory. To try to use the demands of rationality in going to battle on behalf of the standard behavioral assumption of economic theory (to wit, actual self-interest maximization) is like leading a cavalry charge on a lame donkey. 16

The assumption that people act only on self-interested motives was sometimes defended on the basis of the hedonist psychology of Jeremy Bentham, the father of utilitarianism, which held that everyone ultimately "really" desires only a subjective psychological quantity (called "pleasure" by Bentham) and that this "quantity" was a purely subjective matter. As John Dewey put it long ago, "When happiness is
conceived of as an aggregate of states of feeling, these are regarded as homogenous in quality, different from one another only in intensity and duration. Their qualitative differences are not intrinsic, but are due to the different objects with which they are associated (as pleasures of hearing, or vision). Hence they disappear when the pleasure is taken by itself as an end."17 This disappearance of the qualitative differences is (as far as importance to the agent's "happiness" is concerned), of course, just what makes it possible for the utilitarian to speak of "summing" pleasures, "maximizing" them, and so on. But if Dewey's alternative view is right (as I believe), and if "agreeableness is precisely the agreeableness or congruence of some objective condition with some impulse, habit, or tendency of the agent," then "of course, pure pleasure is a myth. Any pleasure is qualitatively unique, being precisely the harmony of one set of conditions with its appropriate activity. The pleasure of eating is one thing; the pleasure of hearing music, another; the pleasure of an amiable act, another; the pleasure of drunkenness or of anger is still another."18 Dewey continues, "Hence the possibility of absolutely different moral values attaching to pleasures, according to the type or aspect of character which they express. But if the good is only a sum of pleasures, any pleasure, so far as it goes, is as good as any other-the pleasure of malignity as good as the pleasure of kindness, simply as pleasure."19

Dewey not only anticipates the point made by Nozick with the aid of his famous thought experiment of the "experience machine" that what we want in life is not mere feelings (otherwise we would all choose to spend our lives in the experience machine) but rather the objective fulfillment of desires, capacities, and efforts, but he also anticipates Nozick's point that "what we are is important to us".20 As Dewey also writes, "Not only the 'good: but the more vigorous and hearty of the 'bad,' would scorn a life in which character, selfhood, had no significance, and where the experimental discovery and testing of destiny had no place".21

Sen argues in a number of places that people are very often powerfully moved, not only by motives other than subjective "pleasure," but by a great variety of non-self-interested motives-not only ethical motives, although there is no reason for refusing to recognize that these may be powerful in certain circumstances, but also loyalties of
all kinds, both good and bad, both to ideas and to groups (as well as group hatreds of all kinds).
Last but not least, not only are people not simply motivated by self-interest, but even more disastrously for the way the notion of "self-interest" is often used by the economists Sen criticizes, there is an enormous difference between maximizing genuine long-term self-interest (which is usually not what is understood by the term "self-interest") and maximizing mere short-term self-interest. When this is seen, it becomes clear that the modern version of "economic man" is neither genuinely rational nor truly acting in his or her self-interest.

(3) Criteria of Economic Performance and Social Well-Being
During the Great Depression a rather remarkable change took place in welfare economics. To understand this change, we need to recall a bit of history.

Some economists started using the concept of utility in the eighteenth century, and by the end of the nineteenth century it had achieved a particular form, which became virtually standard. It was assumed by the "neo-classical" economists (William Stanley Jevons, Alfred Marshall, and their followers) that there was something called "utility," which could be quantified. (Edgeworth's brilliant and preposterous at least by present standards-Mathematical Psychics, published in 1881, and repeatedly republished thereafter, assumed a unit of utility called the "Util.") "Utility curves" were plotted, which showed how utility supposedly increased with increasing quantities of a given commodity. These curves assumed a particular shape, a shape governed by what was called the Law of Diminishing Marginal Utility. According to this "law," the marginal utility (the utility of the last amount consumed) decreases with additional consumption. (Alfred Marshall illustrated this with the charming example of a small boy eating berries.)

Arthur Cecil Pigou's enormously influential Economics of Welfare, published in 1920, derived a simple argument for at least some redistribution of wealth from these "neo-classical" premises. If the Law of Diminishing Marginal Utility is right, then the marginal utility of money should also diminish. And even if these marginal utilities vary considerably from person to person, it is still plausible
that the marginal utility of, say, a thousand dollars to someone at the point of going hungry or becoming a homeless beggar is much greater than the marginal utility of a thousand dollars to, say, Bill Gates. Conclusion: the total utility (often identified with "the total happiness" by utilitarian writers) of the population as a whole would be increased by taking a thousand dollars away from Bill Gates in taxes and giving a thousand dollars to the destitute person; more generally, other things being equal, income redistribution promotes welfare.

Interestingly enough, it was during the depths of the Depression that Lionel Robbins, certainly one of the most influential economists in the world, persuaded the entire economics profession that interpersonal comparisons of utility are "meaningless". Although these views were not the product of logical positivism (Walsh has pointed out that at the beginning of the 1930s Robbins seems to have been influenced by Jevons's skepticism concerning the possibility of knowledge of the states of mind of other people—a skepticism that is contrary to the behaviorist doctrines of logical positivism), by 1935, Robbins was beginning to be influenced by logical positivism as well. In particular, he held strong views to the effect that rational discussion ("argument") is impossible in ethics, and therefore ethical questions must be kept wholly out of economics. With one stroke, the idea that the economist could and should be concerned with the welfare of the society in an evaluative sense was rejected, and in its place was inserted the positivist idea that such a concern was "meaningless," at least from a scientific point of view. A couple of quotations from Robbins will give the flavor of the idea:

If we disagree about ends it is a case of thy blood or mine—or live or let live according to the importance of the difference, or the relative strength of our opponents. But if we disagree about means, then scientific analysis can often help us resolve our differences. If we disagree about the morality of the taking of interest (and we understand what we are talking about), then there is no room for argument.

And again: "It does not seem logically possible to associate the two studies [ethics and economics] in any form but mere juxtaposition."
Economics deals with ascertainable facts; ethics with valuation and obligations." 25

After they had been persuaded to accept these views by Lionel Robbins (later Lord Lionel Robbins), economists did not simply conclude that there was no such field as "welfare economics." Instead they looked (strange as this may sound) for a value neutral criterion of optimal economic functioning. And they found one, or so they believed, in the notion of "Pareto optimality."

Recall that utility itself had not been declared a "meaningless" notion. Indeed, a theorem proved by von Neumann to the effect that (in the case of one single consumer) any formally consistent set of choices could be "represented" mathematically by a function assigning utilities to the various "bundles" of commodities (that is, to the possible combinations of choices) seemed to justify speaking "as if" there were such a thing as "utility" without having to make any of the heavy philosophical assumptions that went with the use of that notion in the nineteenth century (for example, the assumption that "utility" is a mental quality of some kind, or the assumption that it is-or isn't-the same as "pleasure"). (I have criticized the assumptions needed for the proof of this theorem, however, and so have Sen and numerous others. What had been declared to be meaningless was not "utility" but inter subjective comparison of utilities.

I pause to note that while the utilitarians' assumptions about "utility" were in many ways absurd, and while the idea that the amount of satisfaction different people get from various goods and services (and from such intangibles as opportunities) can be linearly ordered also seems absurd, the idea that there is a partial ordering here is not at all absurd. To revert to my example above (the one derived from Pigou), the idea that a thousand dollars matters almost not at all to Bill Gates and matters enormously to someone who is about to lose the roof over his or her head, is not at all absurd. A gain, one does not need to suppose that welfare is simply a function of monetary income, an assumption that Sen has repeatedly criticized, to think there is some validity to the Pigou argument for a certain amount of income redistribution. Speaking of the problem of assigning "weights" to the various factors that one might count as contributing (positively or negatively) to welfare, Sen has written:
It is of course crucial to ask, in any evaluative exercise of this kind, how the weights are to be selected. This judgmental exercise can be resolved only through reasoned evaluation. For a particular person, who is making his or her own judgments, the selection of weights will require reflection, rather than any interpersonal agreement (or consensus). However, in arriving at an "agreed" range for social evaluation (for example in social studies of poverty), there has to be some kind of a reasoned" consensus" on weights, or at least on a range of weights. This is a "social choice" exercise, and it requires public discussion and a democratic understanding and acceptance.27

What the positivist views that came to dominate economic thinking did was to proscribe the very idea of a "reasoned" consensus on any value question. If value questions are questions of "thy blood or mine," the very notion of reason makes no sense: "there is no room for argument."

Pareto optimality is, however, a terribly weak criterion for evaluating socioeconomic states of affairs. Defeating Nazi Germany in 1945 could not be called Pareto optimal, for example, because at least one agent—Adolf Hitler—was moved to a lower utility surface.28 Moreover, if the reason for favoring Pareto optimality as a criterion is that one approves of the underlying value judgment that every agent's right to maximize his or her utility is as important as every other's, then it would seem that Pareto optimality is not a value neutral criterion of "optimality" at all. How could there be a value neutral criterion of optimality, anyway?

The upshot of this little bit of history is that if there is to be such a subject as welfare economics at all, and in particular, if welfare economics is to speak to problems of poverty and other forms of deprivation, then welfare economics cannot avoid substantive ethical questions. Yet, if we cannot simply go back to nineteenth-century utilitarianism, nor (Sen has argued) accept twentieth-century versions of utilitarianism, what is the alternative? 29 This is the question to which Sen has devoted a remarkable series of books and lectures.
THE CAPABILITIES APPROACH

The approach that Amartya Sen has elaborated and argued for in the works to which I just referred is called the "capabilities approach." The "capabilities" that Sen speaks of are particularly capabilities "to achieve functionings that [a person] has reason to value, and this yields a particular way of viewing the assessment of equality and inequality."30 Sen explains, "The functionings included can vary from the most elementary ones, such as having well-nourished, avoiding escapable morbidity and premature mortality, etc., to quite complex and sophisticated achievements, such as having selfrespect, being able to take part in the life of the community, and so on."31

Since I have referred repeatedly to the work of Vivian Walsh, it is appropriate to mention that this notion of "functionings" was anticipated by Walsh in 1961 in Scarcity and Evil. Walsh's term was "achievements," and like Sen he connected a very wide notion of achievements or functionings with a concern for the character of a human life as a whole, which goes back to Aristotle. The idea of applying this point of view to problems of development is, of course, due entirely to Sen. In recent years, Martha Nussbaum has also used a "capabilities" approach to discuss development issues, particularly as they affect women.32

Obviously I do not have the time to explain the capability approach in detail, much less to discuss the rival approaches to questions of poverty, welfare, and global justice that Sen considers and rejects (for example, Rawlsian liberalism, Nozickian libertarianism, and the several versions of utilitarianism). But that is not necessary for my purpose, which is to see how welfare economics has found itself forced to recognize that its "classical" concern with economic well-being (and its opposite, economic deprivation) is essentially a moral concern and cannot be addressed responsibly as long as we are unwilling to take reasoned moral argument seriously.

Precisely because Sen's concerns as an economist are frequently, in fact characteristically, international in scope, his writing often addresses problems of what is called "economic development." In this area, the conventional wisdom is that the sole problem is to raise the monetary income or perhaps the gross economic output of
"underdeveloped" nations. One way in which Sen shows us the need for more sensitive measures of "underdevelopment," poverty, and other forms of economic deprivation is by observing how feeble a measure of economic well-being money and gross economic product are by themselves, and how seriously our "information base" is restricted when we fail to gather information about what results flow from given levels of income or production under various conditions.

As Sen continues:

The relationship between income and capability [is] strongly affected by the age of the person (e.g. by the specific needs of the very old and the very young), by gender and social roles (e.g. through special responsibilities of maternity and also custom-determined family obligations), by location (e.g. by the proneness to flooding or drought, or by insecurity and violence in some inner-city living), by epidemiological atmosphere (e.g. through diseases endemic in a region), and by other variations over which a person may have no--or only limited--control.

A striking statistic that Sen uses to illustrate this point is the following:

Men in China and in Kerala decisively outlive African American men in terms of surviving to older age groups. Even African American women end up having a survival pattern for the higher ages similar to the much poorer Chinese, and decidedly lower survival rates than the even poorer Indians in Kerala. So it is not only the case that American blacks suffer from relative deprivation in terms of income per head vis-à-vis American whites, they are also absolutely more deprived than the low income Indians in Kerala (for both women and men), and the Chinese (in the case of men), in terms of living to ripe old ages.

As I said, I do not have time to discuss the several versions of utilitarianism, but I do want to call attention to one interesting criticism that Sen makes of a particular version of utilitarianism, the version according to which well-being can be measured simply by desire satisfaction. The novel point that Sen makes is that in cases of extreme
and long-lasting deprivation, the satisfaction of desires can also be an impoverished information base because a frequent consequence of this sort of deprivation is the reduction in the range of desires owing to the hopelessness of the situation. As Sen writes:

The problem is particularly acute in the context of entrenched inequalities and deprivations. A thoroughly deprived person, leading a very reduced life, might not appear to be badly off in terms of the mental metric of desire and its fulfillment, if the hardship is accepted with non-grumbling resignation. In situations of long-standing deprivation, the victims do not go on grieving and lamenting all the time, and very often make great efforts to take pleasure in small mercies and to cut down personal desires to modest-"realistic"-proportions . . .. The extent of a person's deprivation may not at all show up in the metric of desire-fulfillment, even though he or she may be quite unable to be adequately nourished, decently clothed, minimally educated, and properly sheltered.36

"Capabilities," in Sen's sense, are not simply valuable functionings; they are freedoms to enjoy valuable functionings, a point that is announced in the title of Sen's recent book Development as Freedom and stressed throughout that book. Obviously, there is room for disagreement as to just which functionings are "valuable" or such that people have "reason to value them," but this room for disagreement is something that Sen regards as valuable rather than disadvantageous. Indeed, Sen does not even claim that the capability approach includes all the factors one might wish to include in the evaluation of welfare: "we might, for example, attach importance to rules and procedures and not just to freedoms and outcomes . . .,37 And he asks the question, "Is this plurality an embarrassment for advocacy of the capability perspective for evaluative purposes?" to which he responds with a firm negative:
Quite the contrary. To insist that there should be only one homogeneous magnitude that we value is to reduce drastically the range of our evaluative reasoning. It is not, for example, to the credit of classical utilitarianism that it values only pleasure, without taking any direct interest in freedom, rights, creativity, or actual living conditions. To insist on the mechanical comfort of having just one homogeneous "good thing" would be to deny our humanity as reasoning creatures. It is like seeking to make the life of the chef easier by finding something which-and which alone-we all like (such as smoked salmon, or perhaps even french fries), or some one quality which we must all try to maximize (such as the saltiness of the food). 38

Mathematically speaking, what the capabilities approach yields (even when we have agreed on a list of valuable functionings-something that itself, as Sen has told us, requires "public discussion and a democratic understanding and acceptance") is not a complete ordering of situations with respect to positive welfare, but a partial ordering, and a somewhat fuzzy one at that. 39 The approach (sometimes Sen calls it a "perspective") does not pretend to yield a "decision method" that could be programmed on a computer. What it does do is invite us to think about what functionings form part of our and other cultures' notions of a good life and to investigate just how much freedom to achieve various of those functionings various groups of people in various situations actually have. Such an approach will require us to stop compartmentalizing" ethics" and "economics" and "politics" in the way we have been doing since Lionel Robbins triumphed over the Pigovian welfare economists in 1932, and come back to the kind of reasoned and humane evaluation of social wellbeing that Adam Smith saw as essential to the task of the economist.
CONCLUSION: ENTANGLEMENT AGAIN

In the first chapter I began by explaining the difference between an ordinary distinction and a metaphysical dichotomy, using the analytic--synthetic distinction/dichotomy (at different times it was one or the other of these) as an illustration. I pointed out that if the fact/value distinction is intended as a mere distinction, it is not univocal; we get one "partitioning" of the space of judgments if we take value judgments to be judgments in which certain relatively abstract or "thin" ethical concepts figure (for example, "good," "bad," "ought," "should," "duty," "virtue," "obligation," "right," "wrong"), a somewhat different partitioning if we take value judgments to be judgments that praise or blame some person or persons, and we get still other possible interpretations of the distinction. This fuzziness does not, of course, make the distinction unusable. More important, the possibility of distinguishing a class of "value judgments" in one way or another does not, by itself, have any implications at all as to whether value judgments can or can not be true or false, justified or unjustified, do or do not have any descriptive content, and so on; nor does it have any implications as to whether the complementary class of non-value judgments has any unity at all. When the distinction becomes a dichotomy-perhaps I should have used John Dewey's term, a dualism-it typically gets accompanied by a highly contentious set of metaphysical claims (even they are typically claimed to be anti-metaphysical claims). The form of the fact/value dichotomy I have been concerned with originated (so I claim) with David Hume and reached the form in which it was so influential in the twentieth century with logical positivism. In that form, the dichotomy was between cognitively meaningless judgments, which included but were not limited to value judgments, and cognitively meaningful judgments.

Within the space of cognitively meaningful judgments, in turn, there was a further dichotomy: every cognitively meaningful judgment—that means every judgment that can figure in a rational argument—was either analytic or synthetic, either a "tautology" (in which class the positivists included all of mathematics) or a description of some "fact" or possible fact. The latter dichotomy never had either the popular appeal or the influence of the dichotomy...
between "facts" and "value judgments," perhaps because the question of the status of mathematical judgments has not been one that many people are concerned with, but the idea that "value judgments" are subjective and that there cannot really be reasoned argument about values has had widespread influence (as we see, particularly with the example of Lionel Robbins), as has the question, "Is that a fact or a value judgment?" However, the philosophical arguments for the dichotomy all turned on doctrines concerning the nature of "facts," which collapsed in the face of criticisms by Quine and others early in the second half of the twentieth century.

At the close of the first chapter, I argued that the picture of our language in which nothing can be both a fact and value-laden is wholly inadequate and that an enormous amount of our descriptive vocabulary is and has to be "entangled."

In the second chapter, I considered the way in which noncognitivist philosophers like Hare and Mackie tried to deal with this "entangled" vocabulary. Hare, who is by far the more sophisticated thinker, tried to separate what he called "secondarily evaluative" terms (what I called "thick ethical terms") into a descriptive component and a prescriptive (or imperative) component, but I argued that this attempt was a total failure. I argued (following a lead pioneered by Iris Murdoch and followed by John McDowell, among others) that the ability to make a nuanced and sophisticated use of anyone of these terms—for example, to draw the distinction between courageous behavior and behavior that is merely rash or foolhardy, a distinction that is as old as ethics itself—depends precisely on being able to acquire a particular evaluative point of view. "Valuation" and "description" are interdependent—a possibility that is constantly overlooked by positivists and their ilk.

I have shown how the fact/value dichotomy or dualism (in a virulent form in which ethical questions were considered to be questions of "thy blood or mine") penetrated neoclassical economics after 1932, and I have shown the resultant impoverishment of welfare economics' ability to evaluate what it was supposed to evaluate, economic well-being. I have discussed Amartya Sen's impressive attempt to enrich the evaluative capacity of welfare and developmental economics by means of the "capabilities approach." Let me now make explicit the
connection, which I have so far left implicit, between the topics of this chapter and the "abstract" topics of Chapters 1 and 2: the capabilities approach requires that we use the vocabulary that one inevitably uses, the vocabulary that one must use, to talk of capabilities in the sense of "capacities for valuable functions," and that vocabulary consists almost entirely of "entangled" concepts, concepts that cannot be simply factored into a "descriptive part" and an "evaluative part." Just about every one of the terms that Sen and his colleagues and followers use when they talk about capabilities-"valuable functioning," "functioning a person has reason to value," "well nourished," "premature mortality," "self-respect," "able to take part in the life of the community"-is an entangled term. The standpoint that Sen shows we must take if we are to make responsible evaluations in welfare and developmental economics is not the standpoint that says (as Robbins said) that "it does not seem logically possible to associate the two studies [ethics and economics] in any form but mere juxtaposition. Economics deals with ascertainable facts; ethics, with valuation and obligations:" 41 It is a standpoint that says that valuation and the "ascertaining" of facts are interdependent activities.

It is ironic that in Europe there was another tradition in the social sciences, one coming from Max Weber, which also sharply separated factual and ethical questions, but which acknowledged a certain interdependence.4z For Max Weber, the decision as to what question the social scientist investigates was and had to be one that involved ethical values. But once the choice was made, the ascertaining of the answer to the scientist's question was not to be dictated by that scientist's value system. With this I am sure Amartya Sen would agree. But what Max Weber failed to acknowledge was that while indeed the answers to a scientific question must never be dictated by one's value system, the terms one uses even in description in history and in sociology and the other social sciences are invariably ethically colored; this is nowhere more true than in the case of the terms Weber used to describe his "ideal types."

Two further points emerge from Sen's work that deserve to be emphasized here. First, once one proposes to evaluate economic well-being, one necessarily becomes involved with questions that have been discussed extensively in the literature of ethics. That does not just
mean the literature of utilitarian ethics (which for many years tended to be the one kind of ethics that economists who did not wish to exclude value judgment altogether regarded as respectable); if it is legitimate for some economists to defend utilitarian measures of well-being, it must be legitimate to consider the arguments against the adequacy of utilitarianism, both in terms of what it allows in its "information base" and in terms of its procedures of evaluation. Moreover, considering arguments against means also considering arguments for alternatives to utilitarianism, which is why Sen discusses in detail the work of John Rawls, Robert Nozick and many others. In short, the serious welfare economists have to have a serious acquaintance with the best of contemporary ethical discussion. (It is not a one-way street; in Ethics and Economics Sen argues that ethicists also have much to learn from economics.)

Second, it is not only that entangled concepts necessarily figure in evaluation; to the extent that people's motivations are significantly influenced by their ethical reasoning, we will need to take account of-and to make "descriptive" uses of-a variety of thick ethical concepts in the description of economically relevant behavior. As Sen writes, in the concluding paragraph of Ethics and Economics:

I have tried to argue that welfare economics can be substantially enriched by paying more attention to ethics, and that the study of ethics can also benefit from closer contact with economics. I have also argued that even predictive and descriptive economics can be helped by making more room for welfare-economic considerations in the determination of behavior. I have not tried to argue that either of these exercises would be particularly easy. They involve deep-seated ambiguities, and many of the problems are inherently complex. But the case for bringing economics closer to ethics does not rest on this being an easy thing to do. The case lies, instead, on the rewards of the exercise. I have argued that the rewards can be expected to be rather large.
One of the reasons I discussed the fact/value dichotomy in these chapters was not only to provide a philosophical overview of the reasons that made economists like Lionel Robbins think that the development Walsh called "second phase classical economics," the enterprise of "bringing economics closer to ethics," was 'logically impossible"; but also, by demolishing those reasons, I wished to provide a philosophy of language that can accommodate and support this second phase. I believe but aware of my own limitations have not tried to document, that very similar issues arise in the law.