

Professor Sen's welfare economics

In 1998 the “Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel” was awarded to Amartya Sen of Trinity College, Cambridge, UK, “for his contributions to welfare economics”¹

Amartya Sen's works as he has put in his “Autobiography”

Professor Sen wrote *Collective Choice and Social Welfare* in 1970. From the mid-1970s, he worked “on the causation and prevention of famines” for the World Employment Programme of the International Labour Organization, for which he wrote his 1981 book *Poverty and Famines*. He also wrote some articles “mostly published in journals in the 1970s and early 1980s, but gathered in two collections of articles (*Choice, Welfare and Measurement and Resources, Values and Development*, published, respectively, in 1982 and 1984).” He states, “I had to choose quite a different subject for my research thesis, after completing my B.A. The thesis was on “the choice of techniques,” which interested Joan Robinson as well as Maurice Dobb.”

He thought he had “some understanding of the demands of fairness, liberty and equality”. He lectured on “Human Values” at Stanford in 1979, published as a paper, “*Equality of What?*” in 1980. His books *Commodities and Capabilities, Inequality Re-examined, Quality of Life* appeared in 1985, 1992 and 1993 respectively. Then we read that all through his journey to the ‘prize’ he kept on working mainly within the confines of “the Keynesians ... the ‘left’ of the neo-classicists ... and neo-Keynesians”. In addition, he discovered in “Maurice Dobb... an astute Marxist economist,” who, to his delight, “took welfare economics seriously (and indeed taught a regular course on it), just as the intensely ‘neo-classical’ A.C. Pigou had done (while continuing to debate Keynes in macroeconomics)”.²

Regarding Maurice Dobb, how could a ‘Marxist’ be an ‘economist’ (notwithstanding having to have a profession) when an ‘economist’ is an apologist of capitalism, whereas a ‘Marxist’ is a scientist of Socialism?

Marx was not an “economist”, not even a “welfare economist”. According to him, “Just as the economists are the scientific representatives of the bourgeois class, so the socialists and the communists are the theoreticians of the proletarian class.”³ In addition, Marx became a Socialist – an educator and organizer of the working class.

Thus, the coinage “an astute Marxist economist” is anti-Marxist.

Obviously, Prof. Sen learned most of his lessons from what Marx called “Vulgar Economics”, twisted and turned since 1870s into so-called “Modern Economics” or simply “Economics”, as preferred by the 1970 “The Bank of Sweden Prize” winner Paul A. Samuelson of Massachusetts Institute of Technology. This universal corrupting trend, although born at the dawn of Political Economy, gave rise to the so-called ‘neo-classical’ and ‘modern’ economists – a breed of many faiths having efficient mouth and inefficient eyes mostly with common trait of Marx-abuse since Marx’s time until today, some way or other,

The concept of understanding human society as a system was discovered long ago with Karl Marx's greatest contribution to humanity the Materialist Conception of History and his laying bare the laws of motion of capital with his theory of value and surplus value. Economists need not make any hair-splitting discoveries anymore on that tally to become 'an astute Marxist', to rise to hyped 'eminence', but only recognize Marx as a man of the time and become a Socialist educator and organizer of the working class towards human emancipation.

Anyway, Prof. Sen also educates his pupils with brave words such as 'collective choice', 'fairness, liberty and equality', 'human values', 'equality of what?', and 'quality of life'. Therefore, you would not notice his conspicuous meticulous silence regarding the foremost scientific discoveries by Marx and Engels including further contributions by other later genuine Socialists..

“Poverty is no less funny” – Sen

Prof. Sen, alongside many others trying to deal with the “Concepts of Poverty”, discovered that “poverty” is a “funny” thing. He accomplished his ILO job writing *Poverty and Famines*, published in 1981. In collating some food data vis-à-vis some recent famines, “the focus” of his “concern” was “the specification of certain ‘consumption norms’, or of a ‘poverty line’, to do a part of his job: ‘the poor’ are those people whose consumption standards fall short of the norms, or whose incomes lie below that line.” Beginning his “study” about “Causation of poverty and effects of poverty”, he gained a point, “The idea that the concept of poverty is essentially one of inequality has some immediate plausibility. After all, transfer from the rich to the poor can make a substantial dent on poverty in most societies.”⁴

Thus, Prof. Sen started with “certain consumption norms” or a “poverty line” to be sustained with “transfer from the rich to the poor” that “can make substantial dent on poverty”. His is a matter of co-existence of private property and poverty only, “inequality” notwithstanding.

Outrageous, is it not? Economists take to determine a “poverty line” for the class that produces all wealth of society!

Nonetheless, the professor of ‘welfare economics’ asserted, “poverty is a value judgment.”⁵ He held, “It is important to distinguish between different ways in which the role of morals can be accommodated into the exercise of poverty measurement”, and cited Eric Hobsbawm (1968) for whom, it ‘is always defined according to the conventions of the society in which it occurs’.

Then he turned back to Adam Smith who according to him “brought out” the point “very clearly ... more than two hundred years ago: “By *necessities* I understand not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even the lowest order, to be without ...”. Again, he navigated to Karl Marx (1867) who, as he remarked, “in a similar vein ... argued that, while ‘a historical and moral element’ enters the concept of *subsistence*, ‘nevertheless, in a given country, at a given period, the average quantity of the means of subsistence necessary for the labourer is

practically known”’. In no time he took the both to task, “It is possible that Smith or Marx may have overestimated the extent of uniformity of views that tends to exist in a community on the content of ‘subsistence’ or ‘poverty’.”⁶

Contrary to Prof. Sen’s assumption, Marx did not equate ‘necessaries’ and ‘subsistence’ as synonymous with ‘poverty’. Marx used ‘subsistence’ and ‘poverty’ to mean two very different aspects of life – the former to the amount of average wage in point of space-time, the latter to each individual’s alienated relative status in a private property society. Thus, ‘subsistence’ is ‘practically known’ but ‘poverty’ remains elusively comparable but always immeasurable.

Anyway, Dr. Sen’s “scientific reasoning” grappled with “the problem of poverty management” and preached an ideology of “market entitlements”, “the exchange entitlement set”, and such likes in his *Poverty and Famines*.

What would “market entitlements” mean to Marx?

Karl Marx raised his scientific reasoning up neither with “value judgment”, nor “morals”, but with the bricks of facts.

Let us see how Value self-expands and turns into Capital.

Marx’s equation is $V = c + v + s$

Here $V = Value$ that is the *socially necessary labour* incorporated into the sum total of commodities (goods and services) manifesting itself in the form of *price* through exchange; $c = constant\ capital$, i.e. the value of all means of production (instrument of labour, raw material and auxiliary material) other than labour power; $v = variable\ capital$, i.e. the value of collective labour power transformed into collective wage fund; and $s = surplus\ value$ which takes the form of collective profit. Now, out of the total capital ‘ $c + v + s$ ’, the part ‘ $c + v$ ’, although appears as an advance from the capitalists, actually comes from an advance first made by the workers to the capitalists. Capital is past labour, dead labour that sucks living labour like a vampire. “In reality the labourer “advances” to the capitalist and not the capitalist to the labourer.”⁷ In any working day every aliquot part of labour-time is actually divided into two parts – the “*necessary*”⁸ labour to reproduce and return ‘ v ’ to the capitalist, and the “*surplus*” labour to create ‘ s ’ for the capitalist.. Notably, the worker preserves ‘ c ’, receives ‘ v ’ and returns ‘ $v + s$ ’ to the capitalist, whereby the capitalist gets ‘ s ’ gratis, i.e. fruits of unpaid labour, a portion of which goes to their consumption, the rest to reinvestment for augmentation of their capital. This is how Value expands itself through the capitalist class exploiting the working class. The categories examined above comprise all various forms of *private property*, or what Prof. Sen calls “market entitlements”.

Since socially necessary labour time incorporated into the sum total commodities circulating globally enters in pieces into all various forms of private appropriation as shown above, there arises a continuous struggle around the working day. The capitalists strive to augment “surplus” labour – (1) absolutely by lengthening the working day, or, (2) relatively by diminishing the “necessary” labour. This second measure involves (a) raising the productivity of labour via technological development,

(b) increasing the intensity of labour power (Taylor system, etc.), and (c) reducing relative wage [see below for details] i.e. reducing the collective share of the collective worker in comparison to that of the collective capitalist in the ever-growing sum of global wealth production. On the contrary, the workers seek to improve upon their subsistence (when business is brisk), or at least to keep it intact (when business is slow).

Obviously, by turning surplus labour into surplus value and realizing it on the market as collective profit, the collective capitalist class share the proceeds of exploitation among its various sections as interest, rent, taxes, industrial and commercial profits, etc. So all various incomes of the capitalists (banks and 'public' enterprises included) come gratis from the working class' collective surplus labour.

As long as capitalist private property exists, capitalists remain involved between themselves in the internecine conflict over sharing off the global "surplus value", i.e. the total global profit, notwithstanding their chambers of commerce, WTO, etc. On the other hand, workers remain broken up by their constant competition for a job and a wage to survive as an alienated "incoherent mass" (*Communist Manifesto*) scattered the world over. They remain a miserably uninformed and fatally competitive mass duped by all various leaders of trade unions, reformist political parties, media, education for wages-slavery in a chorus harping on all distorting and diverting local, regional, national, sectional, conflicting and self-defeating issues.

"Competition separates individuals from one another, not only the bourgeoisie but still more the workers, in spite of the fact that it brings them together. Hence, it is a long time before these individuals can unite, apart from the fact that for the purpose of this union – if it is not to be merely local – the necessary means, the big industrial cities and cheap and quick communications, have first to be produced by large-scale industry. Hence, every organized power standing over against these isolated individuals, who live in conditions daily reproducing this isolation, can only be overcome after long struggles...

"The separate individuals form a class only insofar as they have to carry on a common battle against another class; in other respects they are on hostile terms with each other as competitors."⁹

This all-pervading competition engenders "the most violent, mean and malignant passions of the human breast, the furies of private interest."¹⁰

"Consequently, the system of wage-labour is a system of slavery, and indeed of a slavery which becomes more severe in proportion as the social productive forces of labour develop, whether the worker receives better or worse payment."¹¹

Did Marx ever measure "poverty"?

No, Marx wrote *The Poverty of Philosophy* criticising M. Proudhon's *The Philosophy of Poverty*. Marx's criteria of judgment was not 'poverty' but the relations of production that gave rise to 'poverty' in the first place for the producing classes since the beginning of division of society into classes. For this reason, to his daughter's question – what is the most demeaning characteristic of a worker? – his answer was

“subservience”.

Let us read how Marx understood ‘poverty’ as early as in 1847:

“A house may be large or small; as long as the surrounding houses are equally small it satisfies all social demands for a dwelling. But let a palace arise beside the little house, and it shrinks from a little house to a hut. The little house shows now its owner has only slight or no demands to make; and however high it may shoot up in the course of civilization, if the neighbouring palace grows to an equal or even greater extent, the occupant of the relatively small house will feel more and more uncomfortable, dissatisfied and cramped within its four walls.

“A noticeable increase in wages presupposes a rapid growth of productive capital. The rapid growth of productive capital brings about an equally rapid growth of wealth, luxury, social wants, social enjoyments. Thus, although the enjoyments of the worker have risen, the social satisfaction that they give has fallen in comparison with the increased enjoyments of the capitalist, which are inaccessible to the worker, in comparison with the state of development of society in general. Our desires and pleasures spring from society; we measure them, therefore, by society and not by the object, which serve for their satisfaction. Because they are of a social nature, they are of a relative nature.

“In general, wages are determined not only by the amount of commodities for which I can exchange them. They embody various relations.”¹²

‘The measurement of poverty’, fixing the ‘poverty line’ and ‘identification’ of ‘the poor’ pose irresolvable problems for economists.

That “poverty” is measurable is a dogma, as that “utility” is quantifiable is, as also that “resources” are ‘scarce’ while our “wants” are ‘unlimited’ are. Hence, economists lay only endless equations of problems, which they cannot solve.

Even so, Prof. Sen writes of “The measurement of poverty ... based on certain given standards ... that ... must have a good deal to do with some broad notions of acceptability”. Dealing with the United States President’s Commission on Income Maintenance (1969) report, “Poverty and Plenty” he writes about “a certain amount of confusion” and proceeds to tell his readers, “While the exercise of ‘identification’ of the poor can be based on a standard of minimum needs, that of ‘aggregation’ requires some method of combining deprivations of different people into some overall indicator. In the latter exercise some relative scaling of deprivations is necessary.” He concludes, “Poverty is, of course, a matter of deprivation. ... There is good case for viewing the measurement of poverty not, as is often asserted, as an ethical exercise, but primarily as a descriptive one.” Therefore, he produces some mathematics too in Appendix C of *Poverty and Famines*.

The real issue hidden behind such word games is to keep ‘the poor’ alive in their poverty with their children striving for a mouthful. To fix a limit (‘the poverty line’ or an aggregate about “a standard of minimum needs”) to workers’ aspirations about life is a job of the prized apologists of capital. As a piece of scientific reasoning, this is, of course, sheer rubbish,” to return Sen’s own words to his own case.

What about Mathematics?

You do not require description and mathematics to know the truth about “Poverty and Plenty” or “Poverty and Famine”.

In 1994, Paul Omerod published his book *The Death of Economics*, wherein he exposes the reason behind the use of mathematics in economics:

“Economists see the world as a machine. ... In the basement of the London School of Economics lives a wondrous object. In the 1950s, Bill Phillips, an engineer turned economist, built a machine to teach his students the workings of the economy.”¹³

“Around 1870s, quite independently [Not exactly!] William Jevons at Manchester University and Léon Walras in Lausanne, both of whom were initially trained as physicists, introduced mathematical systems of analysis, founded on principles used successfully in subjects such as engineering, which remain the basis of much of economics today. ... Even today, the phrase ‘Walrasian General Equilibrium’ is applied to the core model of economic theory taught to students around the world.”¹⁴

‘Vulgar economics’ in its mathematical makeup reappears as ‘modern’ – refined, scientific and respectable “economic sciences” to exploit the popular misconception that mathematics deals with science. Now, therefore, when Paul Omerod declares “The Death of Economics”, he actually speaks of the death of ‘vulgar economics’, and in no way the death of Marxian Economics, the real economic science that lives to date, and will live until the death of capitalism.

Regarding the solution to “poverty in the midst of plenty”, however, Omerod clings to the same false notion of a beneficial cooperation of the people and the government. In fact, in a society of free humanity, we shall not have any government, but a society of voluntarily associated producers democratically administering affairs of life. He writes:

“For the Limits to Growth studies in the early 1970s, Jay Forrester at the Massachusetts Institute of Technology did the initial technical work in 1970, and Donella and Dennis Meadows, Jørgen Rander and William Behrens published the results in 1972. The project was to examine ‘the complex of the problems troubling all nations: poverty in the midst of plenty, degradation of the environment, insecurity of employment, economic disruption’ and so on. The research group pointed out that all such problems interacted with one another. But, they identified five basic factors, which determined the ultimate limits to growth: population, agricultural and industrial production, natural resources and pollution. A change in any one of them had, through complex connections in the system, implications for all the others. The conclusions were that, on then existing trends, the most likely scenario for the planet involved the limits to growth being reached during the next century, which would be followed by a sudden decline in population and production. It was possible to avoid this outcome and to bring stability, but only by people and governments acting cooperatively to generate beneficial rather than harmful feedbacks in the system.”¹⁵

The conclusion about stability is idealistic in that ‘people’ and government cannot act “cooperatively”. Capitalism is a private property system based on production for profit. It could never give stability to society. The ‘government’ is all about administration of affairs of private property, the reverse side of which is poverty. It is

a question of ownership, pure and simple. You do not buy what you own. When in companionship with your fellow humans you own a sea of “Plenty”, and you do not dispute a “Famine”. When you own equally whatever, you find “Poverty” nowhere on the horizon.. Nobody can deprive you of what you own – no maxima/minima, no scaling, and no measuring at any rate, save the social sharing of availability. In addition, you cannot but cooperate when you produce and distribute.

Prof. Sen on the famines

The Great Bengal Famine (1943):

“The 1943 famine can indeed be described as a ‘boom famine’ related to powerful inflationary pressures initiated by public expenditure expansion. ...an important aspect of the famine was its association with an uneven expansion in incomes and purchasing power ... while the famine killed millions, with agricultural labourers forming by far the largest group of those killed, Bengal was producing the largest rice crop in history in 1943.”¹⁶

Without “uneven expansion”, you would not have *capitalism* at all. An *even* “expansion of income and purchasing power” is a *daydream*.

The Ethiopian Famine (1972-4):

“Food didn’t move into Wollo in sufficient amount (and some moved out) not so much because the roads didn’t permit such movement, but because the Wollo residents lacked the market command.” ... “severely affected was the Afar community of nomadic pastoralists”¹⁷

Draught and Famine in the Sahel (1968-73):

“It appears that a FAO survey documented that every Sahelian country, with possible exception of mineral-rich Mauritania, actually produced enough grain to feed its population even during the worst year. This is obviously relevant in emphasizing the importance of unequal distribution in starvation. The decline in income and purchasing power of pastoralists and agriculturalists living in the Sahelian region... more permanent arrangements for entitlement through social security and employment protection. What is needed is not ensuring food availability, but guaranteeing food entitlement.”¹⁸

Famine in Bangladesh (1974):

“Who were the famine victims? ... The largest group of destitutes in the langarkhanas were labourers. ...It is the landless end of the village spectrum that is caught firmly at the langarkhanas.. ...The decline in terms of trade of labour power *vis-à-vis* rice was certainly reinforced by a decline in employment opportunities in the famine year. ...In understanding the causation of destitution, therefore, one has to go much beyond the statistics of food availability. The output and availability of foodgrains may have peaked in 1974, but the market forced determining the relative wage *vis-à-vis* rice was moving sharply against the former.”¹⁹

Quite apart from locating the source of these famines in “distribution”, Sen contradicts himself when, on the one hand, he wrote of the Great Bengal Famine:

“The 1943 famine can indeed be described as a ‘boom famine’ related to powerful inflationary pressures initiated by *public expenditure expansion*.”²⁰

And, on the other hand, he labelled the 1974 Ethiopia famine a “slump famine”.

“A general labourer has to earn his income by selling his labour power (or through social security benefit) before he can establish his command over food in a free-market economy; unemployment without *public support* will make him starve ... starvation may be caused not by food shortage but by the shortage of income and purchasing power,” wrote he.²¹

These two statements are both contradictory half-truth and self-defeating. Now he blames “public expenditure expansion”, then he commends “public support”! Moreover, does his “public support” mean that “a general labourer” does not have “to earn his income by selling his labour power” and producing more value than what his employer pays? If yes, where does the “public support” come from, if not from the surplus labour i.e., surplus value already created by the collective working class and put at the disposal of the collective capitalist class who shares out a portion to their “public” (i.e. government) treasury as required?

Under capitalism there has, as Marx and Engels pointed out in the *Communist Manifesto*, to be “a class of labourers, who live only so long as they find work, and who find work only so long as their labour increases capital.” In addition, readers must note that by the term “the relative wage” Prof. Sen does in no way imply Marx’s concept of *relative wage* i.e., total share of the collective working class *vis-à-vis* that of the collective capitalist class in the total production [see later]. The statement in question actually refers to the decline in the purchasing power of the “labourers” that is their real wage *vis-à-vis* rice availability.

Prof.. Sen’s “causation”

However, Prof. Sen locates “causation” of the Great Bengal Famine 1943 at “powerful inflationary pressures initiated by public expenditure expansion”, the Ethiopian Famine 1972-4 at “the Wollo residents lacked the market command”, the Sahelian Famine 1968-73 at “unequal distribution in starvation. ...decline in income and purchasing power”, and the Famine in Bangladesh 1974 at “The decline in terms of trade of labour power *vis-à-vis* rice was certainly reinforced by a decline in employment opportunities in the famine year.”

Categorically, about the Great Bengal Famine Prof. Sen criticizes “a persistent feature of official thinking on the subject” –“to view ‘distribution’ essentially as a transport problem rather than as one involving purchasing power and exchange.”²² Regarding the “Draught and Famine in the Sahel”, he approvingly validates the FAO “emphasizing the importance of unequal distribution in starvation.”²³

“The contrast between different types of entitlement failures is important in

understanding the precise causation of famines and in devising famine policies; anticipation, relief, and prevention”²⁴

Sen, then, sees “causation”, as belonging in the sphere of “distribution” and “exchange”.

Marx took a different view:

“It was a general mistake to make a fuss about so-called distribution and put the principal stress on it. The prevailing distribution of the means of consumption is only a consequence of the distribution of the conditions of production themselves; the latter distribution, however, is a feature of mode production itself.”²⁵

“Distribution itself is a product of production ... But before distribution becomes distribution of products, it is (1) distribution of the means of production, and (2) (which is another aspect of the same situation) distribution of the members of society among the various types of production (the subsuming of the individuals under definite relations of production). It is evident that the distribution of products is merely a result of this distribution, which is comprised in the production process and determines the structure of production.. ...exchange is simply an intermediate phase between production and distribution, which is determined by production, and consumption; since consumption is moreover an aspect of production, the latter obviously comprises also exchange as one of its aspects. The conclusion, which follows from this, is, not that production, distribution, exchange and consumption are identical, but that they are links of a single whole, different aspects of one unit. Production is the decisive phase, both with regard to the contradictory aspects of production and with regard to the other phases. The process always starts afresh with production. That exchange and consumption cannot be the decisive elements is obvious; and the same applies to distribution in the sense of distribution of products. Distribution of factors of production, on the other hand, is itself of production. A distinct mode of production thus determines the specific mode of consumption, distribution, exchange and the *specific relations of these different phases to one another*. Production *in the narrow sense*, however, is in its turn also determined by the other aspects. ...There is an interaction between the various aspects. Such interaction takes place in any organic entity.”²⁶

Economists consider and treat distribution as independent of the mode of production and hence their location of the “causation” in distribution and not in the relations of production. They consider little that the present process of distribution of articles of consumption is merely the result of distribution of the conditions of production itself. They do not see that the precondition of any change in the former process is a change in the latter, which, however, is determined by a change in the relations of production.

However, like any idealist Amartya Sen seeks to end “inequality” with “market entitlements” via a rupture in the inalienable inner connection between production and distribution.. He thinks that by regulating the sphere of distribution it is ‘possible’ to ‘harmonize’ the antagonistic class interests without transforming the basis of the capitalist production. This is an absurdity.

Clearly, Prof. Sen ignores the historical knowledge about inter-relations between “production”, “distribution” and “exchange”. His theory is devoid of the base/superstructure form-and-content cause-and-effect method. By taking the appearance for the essence of the matter, he is unable to distinguish the material from the ideal. With an idealist method, he was destined to fall short of locating his “causation” at the inherent anarchy of capitalism.

The phenomena “Poverty and Plenty” only relate to, to use some effective terms, “starvation”, “underconsumption”, “scarcity”, “overproduction”, “over-accumulation”, “over-population”, “lack of market” &c. These are the many faces of capital’s contradictions and limits – growing incompatibility between socialized production and private appropriation whereby the forces of production have outgrown the relations of production, simply because,

“The essence of bourgeois society consists precisely in this, that a priori there is no social regulation of production. The rational and the naturally necessary asserts itself only as a blindly working average.”²⁷

“Active social forces work exactly like natural forces, blindly, forcibly, destructively”. In spite of us in opposition to us, they master us “so long as we do not understand, and reckon with them.”²⁸

The Law of value is the law of motion of society based on commodity production. Motion is the process of existence; existence is the manifestation of motion. Value is the motion of commodity; commodity is the manifestation of value. As you cannot separate motion from matter, so you cannot separate value from commodity. As you determine motion of a matter by space-time, so you determine value of a commodity by labour-time. However, labour-time becomes value not directly but indirectly – not absolutely but relatively. To say that a commodity has a definite value is to say that, although a product of individual labour, it is at the same time also a product of social labour, i.e. to say about a definite amount of social labour determined socially through exchange. In reality no one can definitely ascertain what that labour-time is; just how much can never be known, which is why no one can express a given amount of individual labour-time into social labour-time; it surfaces in a “roundabout way” relatively, indirectly “in another commodity” in terms of its “worth” and from behind the backs of the players.

The law of value that relates mutually exchangeable products of social labour, “asserts itself in the present-day society in the only way in which economic laws can assert themselves in a society of private producers; as a blindly operating law of nature, inherent in things and relations, and independent of the will or actions of the producers.”²⁹

This exchange of values, “a definite relation between men, that assumes, in their eyes, the fantastic form of a relation between things,”³⁰ under capitalism which reveals a relation between nominally “free” and apparently “equal” seller-buyers, while conceals another relation between classes – the class of exploiters and the class of creators of surplus value. Exchange of equivalents occurs superficially on the surface layers of this system that rests on the appropriation of other people’s labour without

exchange, but under the guise of exchange. “This system of exchange has capital at its basis.”³¹ Within this form of circulation, there is money at the beginning and money at the end, i.e. $M - C - M'$ having $M' > M$.

Consider: “Production of surplus value is the absolute law of this mode of production.”³²

Thus, regarding the “Causation of poverty and effects of poverty”³³ ... “causation of destitution,”³⁴ it did never occur to the learned Professor of ‘welfare economics’ that it is not “the shortage of income and purchasing power” but the want of ownership power that is the “cause”. The “cause” rests in the anarchic relations of employment, or wages system, i.e. capitalist private property relations; hence, the solution rests in the replacement of employment by universal ownership with democratically controlled production for use and free access for all.

When you posit your human identity with universal ownership, you do not “entitle” anybody to anything else. Beware of the hypocrisy of ‘welfare economic’ allegiances and ferment over “entitlement” rituals that forbid you taking up Marx’s *Das Capital*.

In this phase of capitalist anachronism with massive actual and potential abundance, our professors preach palliatives – crumbs from their masters’ plates – to the class which produces life and luxury for the whole humanity but “*poverty and famine*” for itself.

Whither “equality”? “Measurement of economic inequality”

Imagine how “funny” you would look if you really lend a hand in “measurement of economic inequality”? Yet astrologers could make you ‘equal’ to everything you wish, yes! This apart, and save ‘modern’ economists, no one else could, since it is a pathetic fantasy to get round to it.

In fact, “equality” means “the abolition of all class distinctions”³⁵ whereby the society will realize it in the principle of production and distribution: “From each according to his ability, to each according to his needs.”³⁶

As Marx wrote:

“With the abolition of class distinctions all social and political inequality arising from them would disappear of itself.”³⁷

“In bourgeois society ... worker exists purely subjectively, without object but the thing which confronts him has now become the true common entity which he seeks to devour and which devours him.”³⁸

This was why Marx answered his daughter’s question about “the most demeaning characteristic of being a worker” by “subservience” or “serving as means: instrumental”. His answer was not, and could not be “poverty and famines”. Obviously because, as early as in 1844, he saw the end of inequality in,

“The emancipation of society from private property ... from servitude ... expressed in the political form of the emancipation of the workers ... that ...

contains universal human emancipation – and it contains this, because the whole of human servitude is involved in the relation of the worker to production, and all relations of servitude are but modifications and consequences of this relation.”³⁹

According to Marx,

*“Wages and private property are identical ... increase of wages ... better payment for the slave ... would not win either for the worker or for labour their human status and dignity.”*⁴⁰

Therefore, Marx and Engels summed up the communist theory in 1848 in a single sentence:

*“Abolition of private property”*⁴¹

Marx asked workers,

“Instead of the conservative motto, “A fair day’s wage for a fair day’s work!” they ought to inscribe on their banner the revolutionary watchword, “Abolition of the wages system!””⁴²

Anybody studying and working in the UK and seriously ‘concerned’ about ‘inequality’ could easily get hold of Marx’s other well-known revolutionary messages too, *“religion is the opium of the people”*, *“the philosophers have only interpreted the world, in various ways, the point, however, is to change it”*, *“workers of all lands unite, you have nothing to lose but your chains”*.

Nevertheless, the learned professor’s dodge was an old trick but his palliative, “the exchange entitlement set” sugar-coated with phrases – “some understanding of the demands of fairness, liberty and equality”, “human values”, “quality of life”, actually embraces *“all relations in which man is a debased, enslaved, forsaken despicable being,”* (Marx).

What “Rights”?

Drawing a “Fig. 5.1 Illustration of Endowment and Entitlement,”⁴³ Prof. Sen advocates,

*“while entitlement relations concentrate on rights within the given legal structure in that society, some transfers involve violation of these rights, such as looting or brigandage.”*⁴⁴

What “rights” do workers really have “within the given legal structure in” the capitalist society?

*“Right can never be higher than the economic structure of society and its cultural development conditioned thereby”*⁴⁵

Is it not a legalized “looting or brigandage” that *surplus value* is extracted from the working class and shared by various sections of the capitalist class in the forms of

rent, interest, industrial and commercial profits, tax, etc.? Does such “given legal structure” not “involve violation” of humanity in the ‘modern’ form?

You do not own a “right” to compel capitalists to buy your labour power.

“The limit, however, to the employment of both the operative and the labourer is the same; namely the possibility of the employer realizing a *profit* on the produce of their industry. If the rate of wages is such as to reduce the master’s gains below the average profit of capital he will cease to employ them, or he will employ them on condition of submission to a reduction of wages.”⁴⁶

Thus, Socialists warn workers about the futility of fighting for a “right”; workers’ “right” to sell labour-power, is quashed by the capitalists’ “right” not to buy what is not necessary for profit. We urge workers to fight for Socialism. It is only Socialism where “can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banner: “From each according to his ability, to each according to his needs!”⁴⁷

Whereas, “in understanding the causation of destitution”, counsels Prof. Sen, “one has to go much beyond the statistics of food availability”. Thus, he speaks of “the market forces determining the relative wage”⁴⁸

“Relative wage”

Think twice before confusing Sen’s “relative wage” with Marx’s relative wage.

Marx introduced the concept in *Wage Labour and Capital*, one of his early lectures on economics dating from 1847. In section IV, he distinguished three relations involving wages. First, “nominal wages” – the sum of money the worker receives from his employer i.e. “money wages”. Second, “real wages” – the amount of commodities he can buy for this money. Third, “comparative, relative wages” which “are, above all, also determined by their relation to their gain, to the profit of the capitalist”. “Relative wages”, he goes on, “express the share of direct labour in the new value it has created in relation to the share which falls to accumulated labour, to capital.” Marx did not invent this idea. He got it from David Ricardo who initiated it first. At this point of time Marx was developing his theories as a “Ricardian socialist” – a term used to describe Ricardo’s followers who gave their theories an anti-capitalist tip. Relative wages (i.e. workers’ share in the product of their labour) can fall even though their real wages (i.e. the amount of goods and services they receive) have risen. It can happen when, other things remaining the same, if due to increase in productivity output is, say, quadrupled while real wages are doubled, the workers will be better off in terms of the goods they receive but their relative wages would have fallen. In the total wealth, relative share of the working class would have fallen while that of the capitalist class would have risen.

“The share of capital relative to the share of labour has risen.. The division of social wealth between capital and labour has been still more unequal.. With the same capital, the capitalist commands a greater quantity of labour. The power of the capitalist class over the working class has grown, the social position of the worker has deteriorated, has been depressed one step further below the

capitalist.”⁴⁹

About twenty years later Marx returned to this argument in another popular lecture on economics. Here he presupposes wages decrease by as much as prices, implying that workers would be no better off materially, and comments:

“Although the labourer’s absolute standard of life would have remained the same, his *relative* wages, and therewith his *relative social position*, as compared with that of the capitalist, would have been lowered. If the working man should resist that reduction of relative wages, he would only try to get some share in the increased productive powers of his own labour, and to maintain his former relative position in the social scale.”⁵⁰

Prof. Sen observes:

“A person’s ability to command food – indeed, to command any commodity he wishes to acquire or retain – depends on the entitlement relations that govern possession and use on that society. It depends on what he owns, what exchange possibilities are offered to him, what is given to him *free*, and what is taken away from him. ...A general labourer has to earn a certain income by selling his labour power (or through social security benefit) before he can establish his command over food in a free-market economy; unemployment *without* public support will make him starve. ...starvation may be caused not by food shortage but by the shortage of income and purchasing power.”⁵¹

Who gives anything “free” to whom or who “benefits” whom in the first place? Maybe, the professor of ‘welfare economics’ had little time to read Marx’s *Capital* a little thoroughly for the answer, “in reality the labourer “advances” to the capitalist and not the capitalist to the labourer”⁵²

A Professor’s “Leftie” Nostalgia

As we read in his “Autobiography”,

“The student community of Presidency College was also politically most active. Though I could not develop enough enthusiasm to join any political party, the quality of sympathy and egalitarian commitment of the “left” appealed to me greatly (as it did to most of my fellow students as well, in that oddly elitist college).”⁵³

Notwithstanding lack of “enough enthusiasm to join any political party”, onwards today his syncretistic “welfare” focus with an eye to “prizes” from the ruling elites of the world keeps his “intellectual horizon” knotted together in a marriage of convenience with “the quality ... of the “left”, and certainly, as always, an *elitist* one.

“Amartya praises mid-day meal”⁵⁴ “at a work shop organized by his Pratichi Trust in Santiniketan on ‘Primary Education, Public Health and Development’ addressed also by Mr Asim Dasgupta, state finance minister. “I am happy with the results of West Bengal, developing in primary health and education,” said Prof. Sen.

So he is “happy” with obvious “inequality” and “deprivation” which requires manifestly a classified and corrupting sympathy and ‘egalitarian’ commitment of the “left” – ‘mid-day meal’ schools for the poor *vis-à-vis* elitist schools for the rich.

On the other hand, one bearded penniless asylum seeker in London put forward as early as 1875 a simple solution of the “the problem” of having two poles – ‘overproduction’ and ‘underconsumption’ – by ending “politics and economics” for ever in one ago:

“After the enslaving subordination of the individual to the division of labour, and with it also the antithesis between mental and physical labour, has vanished; after labour has become not only a means of life but itself life’s prime want; after the productive forces have also increased with all-round development of the individual, and all the springs of co-operative wealth flow more abundantly – only then the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: *From each according to his ability, to each according to his needs!*”⁵⁵

However, the economists and politicians do not listen to Marx. Therefore, the labourers have to live in “poverty and famines” *not* because they do not have a “right” but because they do not own.

Classifying “the people”

The learned professor has also something to say about classes. According to him,

“The entitlement approach requires the use of categories based on certain types of discrimination. A small peasant and a landless labourer may both be poor, but their fortunes are not tied together. In understanding the proneness to starvation of either we have to view them not as members of the huge army of ‘the poor’, but as members of particular classes, belonging to particular occupational groups, having different ownership endowments, and being governed by rather different entitlement relations. Classifying the population into the rich and the poor may serve some purpose in some context, but it is far too indiscriminating to be helpful in analysing starvation, famines, or even poverty.”⁵⁶

Nonetheless, he only rarely talks in terms of classes. The learned professor deals mainly with alienated labourers as “the poor” masses begging for an “entitlement” from their exploiters. Yet, you could not rise to ‘eminence’ unless you talk classes sometimes at least to show “concern” for the class that lives in “starvation, famines, or even poverty”. Therefore, the welfare economist had best recognize people “as members of particular classes” as above. Sen writes:

“The approach explored sees individual advantage not merely as opulence or utility, but primarily in terms of the lives people manage to live and the freedom they have to choose the kind of life they have reason to value. The basic idea here is to pay attention to the actual “capabilities” that people end up having. The capabilities depend both on our physical and mental characteristics as well as on social opportunities and influences (and can thus serve as the basis not only of assessment of personal advantage but also of efficiency and equity of social

policies).”⁵⁷

Let us ask just two questions as members of a particular class – the working class: What “the freedom they have to choose the kind of life they [people] have reason to value”? What do “the actual “capabilities” “people end up having”?

Moreover, anybody befriending Prof. Sen on to his dangerous “freedom” ride is bound to end up with a system whereby most citizens will end up “trading” their “capabilities ... physical and mental characteristics” with the “collective capitalist.”⁵⁸ “The freedom they have to choose” in the labour market is one of the capitalist buyers (single, joint stock, state-run, multinational or whatever) who may buy their labour-power for exploitation. “The kind of life they have reason to value” must remain wages-slavery through nasty competition among them to get round buyers of their only commodity – actual “capabilities” that they end up having.

“The basic idea” merely contributes vigour to the entire fraternity of thieves whose existence is no longer compatible with society. It stands stark naked against the working class’s own emancipatory idea.

Employment and Unemployment

“When a labourer fails to find employment, the entitlement question depends on what arrangements for social security there happens to be,”⁵⁹ said Sen.

“When a labourer fails to find employment” the labour fails to earn a wage.

“Wages are not what they appear to be, namely, the value, or price, of labour, but only masked form for the value, or price, of labour power. ... the wage worker has the permission to work for his own subsistence, that is, to live, only in so far as he works for a certain time gratis for the capitalist (and hence also for the latter’s co-consumers of surplus value)”⁶⁰, said Marx.

“But wage labour, ... is the existing, the bourgeois organization of labour. Without it there is no capital, no bourgeoisie, no bourgeois society.”⁶¹

Employment/unemployment involves a relation between two opposing classes – the employing class versus the working class. Unemployment or “the industrial reserve army” (Engels 1845) is a necessary condition for continuous low-cost employment sourcing of capital i.e. the dead labour that lives by sucking living labour like a vampire. They have the right to employ and exploit; you have the terrorizing prospects of wages-slavery or starvation death which actually turn your “the rights”, if any, null and void. You could not force employers employ you, neither could you compel governments feed you. No amount of constitutional rights could turn the objective economic laws upside down, simply because the constitution is the constitution of capital itself upon which “commerce is more sovereign than the sovereigns,”⁶² as observed Marx.

Why should society retain the employment/unemployment system to govern “Entitlements and Deprivation”? Why should we as members of the producing class look for some “purchasing power” instead of achieving “Universal Ownership

Power”? The working class already has at its disposal the means to realize that power. With universal suffrage, every citizen has one ballot. Politically we are all equals, no matter who and what we are. To end commerce or exchange altogether and achieve socio-economic equality, we can conveniently change the constitution of capital into the constitution of universal ownership by sending an overwhelming majority of our mandated MPs (actually working class delegates). We can organize ourselves in an independent party without leaders and apply our knowledge and number power via ballot in elections to capture the Parliament to replace production for profit with a democratically controlled production for use and free access for all according to self-defined needs? It is as simple as that.

End employment to end unemployment.

“No doubt the demand also exists for him who has no money, but his demand is a mere thing of the imagination without effect or existence for me, for a third party, for the [others], ... and therefore remains even for me unreal and objectless. The difference between effective demand based on money and ineffective demand based on my need, my passion, my wish, etc., is the difference between being and thinking, between the idea which merely exists within me and the idea which exists as a real object outside of me.”⁶³

In addition, money is “a relation and can only be a relation of production,”⁶⁴ wrote Marx.

Therefore, “market entitlement” of workers is a ‘civilized horror’ grafted on capitalist relation of production. The economist’s remedy itself is a part of the disease – both utopian and reactionary. The revolutionary remedy is replacement of capitalist relation of production with Socialist relation of production or, in other words, replacement of production for profit with production for use.

Capitalism and its integral anarchy hide a persisting exploit of the forgotten chain of survivalist exigencies in which all human behaviour is rooted. Moreover, you can programme human behaviour via cultural adaptation.

Any beast of prey knows well who its easy kills are. Thus, the capitalists habitually impinge their preying tricks on our juvenile minds partly by projecting violent images around and partly by insidious ‘intellectual prostitution’ of honours/dishonours since inception of their human awareness. This killing of the innocence of our children is certainly an inhuman act.

The ‘modern’ vulgar economists and philanthropists tell us that we are “human” in the first place. Well, but they do not say that the first casualty of the rise of class society had been our “human” itself.

The objective basis of Marx’s humanism

The objective basis of Marx’s humanism is that man – or rather, humans as social animal act upon nature to obtain bits of nature and turn them into useful things to produce and reproduce their daily existence, breathing, looking for food, safe haven, love etc.

“Man is only individualized (*vereinzelt sich*) through the process of history. He originally appears as a generic being, a tribal being, a herd animal- though by no means as a “political animal” in the political sense. Exchange itself is a major agent of this individualization. It makes the herd animal superfluous and dissolves it.”⁶⁵

What others call ‘history’ Marx called “the pre-history of human society”.⁶⁶ The “history” of human society shall begin with the emancipation of the working class from wages-slavery thereby emancipating the whole humankind from the dehumanized state of relations. The physical and intellectual horizons of all will leave behind the universal un-freedom to realize the greatest dreams and to compose the sweetest songs of life.

It does not require great talent to see that Marx and Engels had a *raison d'être* in 1848 in their dire warning about “the “dangerous class”, the social scum”.⁶⁷ The current upsurge in criminalizing affairs of life is the obvious proof. Accepting fake idioms in the name of education against genuine discoveries about social evolution/revolution, many of us thought we were very clever when we practically ignored the grievous danger lurking in an admiring submission to wages-slavery for time unbound. From this distance, over 150 years later, when many of us are afraid even to talk to our fellow workers for fear of anti-social behaviour, we can see how right Marx and Engels were. It is a pity that most workers still admire “the sham humanity of modern economists,”⁶⁸ as Engels derided some 163 years ago.

Pseudo-humanism of “welfare” churners crave our children beg for “sheer rubbish” as “food entitlement”⁶⁹, “exchange entitlement of labour power”⁷⁰ in “the world upside-down – the confounding and confusing of all natural and human qualities,” as condemned Marx.

Nevertheless, they reject Marx who wanted our children grow as human,

“Assume man to be man and his relationship to the world to be a human one: then you can exchange love only for love, trust for trust, etc.”⁷¹

‘Modern Economics’ – A Capitalist Detour

The long capitalist detour from “measurement of utility” via “welfare economics” and “welfare state” following Beveridge Report 1942, the blue print for post-war British legislation leading to drawing up of a national insurance scheme, Keynesianism, Roosevelt’s New Deal, neo-Keynesianism, Friedman’s monetarism, etc. etc. met its ignominies with one u-turn in the 1980s.

Already in the UK while Prof. Sen was writing his piece, the British Prime Minister, Margaret Thatcher was battering the last nail into the coffin of the trajectory with her trade-union reform, greatly increased privatisation, abolition of exchange controls, and heavy reduction of public spending.

The working class must build up adequate valour to dismiss the entire “prize”-and-“punish” class edifice to usher humanity into a new world of freedom beyond classes.

They must always encounter without exception all various prized ideologues of capital – ‘eminent’ ‘intellectuals’, ‘celebrities’, ‘luminaries in political, social and cultural spheres’ plus the entire media and education via questioning: Do you have anything to offer beyond the vicious loop of employment /unemployment drudgery? Do you have any “will” to join our great struggle for real “freedom” with one single battle cry: *Abolish Wages System with Universal Ownership?*

Notes:

- 1 <http://nobelprize.org/economics/laureates/1998/index.html>
- 2 <http://nobelprize.org/economics/laureates/1998/sen-autobio.html>
- 3 Marx, The Poverty of Philosophy, *Collected Works*, Vol. 6, Moscow, pp.177-8
- 4 Amartya Sen, *Poverty and Famines*, Oxford University Press, Third impression, 1986, pp.9-14
- 5 *Ibid.*, p.17
- 6 *Ibid.* pp.17-18, emphasis added
- 7 *Capital*, Vol. I, p.208, footnote from F. Engels’ *Note added in the 3rd German edition*
- 8 “That portion of the working day, then, during which this reproduction takes place, I call “*necessary*” labour-time, and the labour expended during that time I call “*necessary*” labour. Necessary, as regards the labourer, because independent of the particular social form of his labour; necessary, as regards capital, and the world of capitalists, because on the continued existence of the labourer depends their existence also.” – Marx, *Capital*, Vol. I, p.208
- 9 Marx and Engels, The German Ideology, *Collected Works*, Vol. 5, pp.75, 77
- 10 Marx, *Preface to the First German Edition, Capital*, Vol. 1, p.21
- 11 Marx, *Critique of the Gotha Programme*, Peking, p.23
- 12 *Wage Labour and Capital*, Progress, 1985, section VI, pp.32-3
- 13 Paul Ormerod, *The Death of Economics, faber and faber, 1994*, p.36-7
- 14 *Ibid.*, p.41
- 15 *Ibid.*, pp.35-6
- 16 Amartya Sen, *Poverty and Famines*, pp.75, 77-8, 81
- 17 *Ibid.*, p. 96
- 18 *Ibid.*, pp. 118-119, 129
- 19 *Ibid.*, pp.141-148
- 20 *Ibid.*, p.75, emphasis added
- 21 *Ibid.*, p.155, emphasis added
- 22 *Ibid.*, p.81
- 23 *Ibid.*, p.118
- 24 *Ibid.*, p.164
- 25 Marx, *Critique of the Gotha Programme*, Peking, p.18
- 26 Marx, *Introduction*, see Appendices, *A Contribution to the critique of Political Economy*, Progress, pp. 200-201, 204-205
- 27 Marx’s letter to Kugelmann, July 1868, SW 2, p.419
- 28 Engels, *Anti-Dühring*, p.331
- 29 *Ibid.*, p.370
- 30 Marx, *Capital*, Vol. 1, p.77
- 31 Marx, *Pre-Capitalist Economic Formations*, International Publishers, New York, 1975, p.114
- 32 Marx, *Capital*, Vol. 1, p. 580
- 33 Amartya Sen, *Poverty and Famines*, p.10
- 34 *Ibid.*, p.148
- 35 Marx, *Critique of the Gotha Programme*, Peking, p.43
- 36 *Ibid.*, p.17
- 37 *Ibid.*, p.24
- 38 Marx, *Pre-Capitalist Economic Formations*, International Publishers, New York, 1975, p.96)
- 39 Marx, *Economic and Philosophic Manuscripts of 1844*, *Collected Works*, Vol. 3, Progress, p.280
- 40 *Loc.cit*
- 41 Marx-Engels, *Manifesto of the Communist Party*, Progress, 1977, p.50
- 42 Marx, Address to the General Council of the *IWMA* in 1865, later titled *Value, Price and Profit*, London, George Allen & Unwin Ltd., 1942, p.93
- 43 Amartya Sen, *Poverty and Famines*, p.48

- 44 *Ibid.*, p.49
- 45 Marx, *Critique of the Gotha Programme*, Peking, 1976, p. 17
- 46 John Wade, l.c. quoted by Marx as footnote, *Capital*, Vol. 1, p.580
- 47 Marx, *Critique of the Gotha Programme*, Peking, 1976, p. 17
- 48 Amartya Sen, *Poverty and Famines*, p.148
- 49 Marx, *Wage Labour and Capital*, section IV, Progress, 1985, p.35
- 50 Marx, *Value, Price and Profit*, section XIII, London, George & Unwin Ltd., 1942, p.76
- 51 Amartya Sen, *Poverty and Famines*, pp.154-155, emphasis added
- 52 *Capital*, Vol. I, p.208, footnote from F. Engels' *Note added in the 3rd German edition*
- 53 <http://nobelprize.org/economics/laureates/1998/sen-autobio.html>
- 54 Statesman News Service, Bolpur, Aug. 4, 2005
- 55 Marx, *Critique of the Gotha Programme*, Peking, p.17
- 56 Amartya Sen, *Poverty and Famines*, p.156
- 57 Amartya Sen, *Autobiography*
- 58 Marx, *Capital*, Vol. 1, p.316
- 59 Amartya Sen, *Poverty and Famines*, p.170
- 60 Marx, *Critique of the Gotha Programme*, Peking, p.23
- 61 Marx, *The Class Struggle in France*, Selected Works, Vol. 2, p. 213
- 62 Marx, *The Poverty of Philosophy*, Collected Works, Vol. 6, p.149
- 63 Marx, *Economic and Philosophic Manuscripts of 1844*, Collected Works, Vol. 3, Progress, p. 325
- 64 Marx, *Pre-Capitalist Economic Formations*, International Publishers, New York, 1975, p.120
- 65 *Ibid.*, p. 96
- 66 Marx, Preface, *A Contribution to the Critique of Political Economy*, Moscow, p.22
- 67 Marx-Engels, *Manifesto of the Communist Party*, Progress, p.47
- 68 Engels, *Outlines of a Critique of Political Economy*, Collected Works, Vol. 3, p. 421
- 69 Amartya Sen, *Poverty and Famines*, p.129
- 70 *Ibid.* p.147
- 71 Marx, *The Economic and Philosophic Manuscripts of 1844*, Collected Works, Vol. 3, Progress, p.326