On the Character of Purpose Subject Views

—Utility•Justice•Capabilities in the Rules of Economic System—

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Introduction

The main theme of this paper is to make clear the remaining tasks in the changing process of purpose subject views by studying the significance and problems that utilitarianism has in the process of social and economic rule makings. Utilitarianism has been referred to by my former paper (note 1), where I have argued that utilitarianism should be understood as a phase of egoism.

In this paper, I will argue that such utilitarian shape is asked in relation to historical demand to change into one with fair chance or distributive justice, by describing the relation with that demand itself (I), and I will study what kind of theory is necessary to be constructed, by examining the related arguments from Smith to Sen (III). Lastly, I will advance some ideas on the way to approach the new questions (IV).*

I Economic Activities and Ethical Propensities

1 The Necessity of Rules

In modern societies, the issue of fairness has come to be valued more.


(*) Special thanks are due to Mr. Kornelius Iida, who kindly helped me in brushing up my wordings in this paper. The talk with him on the theme of justice was a great help to clarify some of the ideas contained here, too. Any errors that remain are of course Tsukada’s alone.
Fairness here is defined as an attribute of social justice. In a society of collective humans are often said to exist two factors, social good and social justice. Utilitarianism is often put as an example of the former. In these two, good may be nothing but a personal one, not social, judging from criticism against utilitarianism. But social justice, or mutual rules for social activities, is inevitable for any society with different ideas of good. It shows to social members by what rules to act and what to be expected. Without it, a society cannot exist, except as anarchic hostile relations, or an aggregate of mutually indifferent individuals.

The core of just rules must be one to determine the content of cooperative relations. The bases of it are the rules for productive activities and distribution of the products. That is so because the only motive for entering social life apart from personal ones is the expectation of getting more than when living alone.

Such rules are defined here as those to include the social systems of capitalism or socialism. Economic system is a set of institutions and gives frames for people's activities. It determines productivity (e.g., the argument of the difference of productivity between centrally planned economy and market economy), determines the degree of disutility of labour (e.g., though on on a simplified premises, we may point at the two cases, one, in which the right of decision for labour conditions is more on the employers, namely capitalism, and the other, where it is more on the labouring group, namely socialism), and determines the distributed results of products. Social consituents must choose rules considering these factors.
2 Economic Activities, Institutions, and Purpose Views

As a study of this problem of finding proper rules, I will deal with the ethical bases for economic activities, interpersonal judgements or propensities in human economic activities. As a first approach, we may start by generally arguing that centrally planned economies have defects in efficiency and decentralized market economies, in fairness. From a point of view to grasp totally an economic society as a system, the improving ways of these defects become the important questions. It is to deal with the whole system or its structure, which most economists have regarded as given, except some noted reformers. Most of us are not familiar with such questions, which is best exemplified by our perplexed questioning what the framework itself means. As economics deals with economic activities, which is a part of whole social activities, reflections of it's framework must be inevitably related to the total social structure. When we try to handle both efficiency and fairness, and think of ideal conditions from a bird's eye view, we must put the economic or social institutions themselves as the objects.

When we reflect on social institutions or social rules, since they have been made by humans, we can study them from two viewpoints as we do other products created by man, mental or material, namely their purpose and means. What purpose does it have? Hasn't it changed between past and present? Are the present institutions most appropriate to it? Studied below is the former part of these questions, the purpose view of societies, focusing mostly on the significance of utilitarianism for modern social, economic systems.
II An Approach to Modern Significance of Utilitarianism

—The Significance of Utilitarianism as A Purpose-Subject View—

1 General Character of Utilitarianism

One of the ideas of the purposes of life of each individual living in a society is the utilitarian one, “the greatest happiness of the greatest number”, which has long been tacitly accepted. It gives the interest of the majority a higher order than that of the minority to make such a rule the highest general rule of society, which really means an coercion to each person to accept the result even when one is in the latter group. An example is the restriction given to private ownership from the point of view of public welfare in many types of constitutions. It seems “generally” accepted in a society when there doesn’t appear to be any strong objections to this article. (note 2)

But however seemingly acceptable, counting more of the majority’s interest, sacrificing one’s own interest on the minority side is not actually a willing behaviour. It is not based on an altruistic human character. Such an acceptance can really be brought into existence only by the existence of threat from the majority’s side that they will attack back if the minority infringes on the majority’s interest. Public welfare is actually the interest of the majority. It can be realised only when the majority is stronger. This “principle” of the majority-superiority can be easily overturned if the majority cannot excercise the power necessary for its realisation.

If we can say first of all that social rules can be established through power relations of the interested but antagonistic groups, as mentioned above, and secondly if heterogenities still exist much, then it follows
that, firstly, despite its outward appearance of self-sacrifice, utilitarianism is merely an convenient expression to the majority of the actual submission of the mainority to the the other, and secondly, under such circumstances, the obtainable rules for human society in general, are to be expected through a phased formation through the interactions among such heterogeneous interested groups.

With such a view of rules, it is the most rational behaviors for the

(note 2) The content of the idea of “the greatest happiness of the greatest number” is somewhat vague. When Bentham talks of the happiness of society as a synonym of that of the greatest number, he seems to have had in mind the conflict between the feudalistic rulers on one side and oppressed people on the other. In this sense, his idea may as well be called a stand for the majority. He there contrasts clearly the greatest happiness of one ruler with that of the greatest number. (Jeremy Bentham, “A Fragment on Government”, in The Collected Works of Jeremy Bentham, Principles of Legislation ed. by J.H. Burns, ,Univ. of London, 1977, p.447.) According to Myrdal, the same line of understanding seems to exist in the thoughts of William Paley when he talks of higher desirability of a condition where a larger number of people with appropriate happiness in the average is more desirable to a smaller number with larger happiness in the average. (Gunnar Myrdal, The Political Element in the development of Economic Theory, London, 1955, p.38.) When this line of thought is adopted by classical economists, although they were never indifferent to such a sympathetic view to the greater number of people, they did only what they could do then, namely to find a second best way of organizing society without taking in precise interpersonal analyses such as sympatathy or caring. They believed, though it might not be the best, they could do without it, at least for the time being, when the critical task was the abolishment of the old order, which means any idea at hand even with a little progress was much more needed than seeking for the best idea of a far future. What we must bear in mind is not to criticize against them, but to recognize such a developing process of their understanding itself. We put forward ideas first and then put it into practice, believing it the best. Even if we should find that such practices bear undesirable results, we need not be disappointed, for they are always experiments, which character of human activities is the very source of societal advancement.
social constituents to look for the common interest group with himself, and strengthen it to make it the majority in present conditions. When one finds the chance of his own group growing or being strengthened little, it may be rational to change the belonging group. If such behaviors are necessary for each social constituent, it would help much to elucidate the changes of such groups, their purposes and performances, and their vicissitudes.

The contents of the agreement on the purposes of social constituents are the most important as what determines the contents of all the institutions as their measures. But we should note that such purposes can also take the shape of the broadest sense to leave it to each member rather than to fix a particular common purpose. Such purposes have taken generally two forms, one is that which puts more weight on personal, individualistic, libertarian character, and the other, on socialist, utilitarian character. They are classified by how many phases they set regulations or institutions to when we divide and arrange the activities of each constituent from undeniably common to more ‘personal’ ones.

The kind of utilitarianism argued in this paper has the characters of firstly setting the ultimate, common purpose to regulate each member, and secondly setting its content as the greatest happiness of the greatest number. But as the purposes of people can be generally different even when they perform the same acts, the appropriateness of this first ‘common’ setting itself should be questioned first. (note 3)

2 The Significance of Utilitarianism as A Purpose Subject View

Generally, utilitarianism is a principle that is attractive on one hand but also makes us insecure as individuals on the other. It sets “social” interest, which seems difficult for us to deny offhand, having the power to induce us to regard it as a superior value to each individual interest, as the ultimate value standard. But we can not deny the uneasiness when we imagine the case where we were put on the standpoint of the minority who is disadvantageously treated. But usually the attraction of the former wins by some reason, which we usually can’t express clearly, and we have tended to regard it tacitly as the “mainstream of modern moral theory”. (note 4)

But even in that case, the latter uneasiness as to whether individual free activities are constrained unbearably, must have been “dissolved”. We can say that the history of modern civil society has bee one of searching for a theory that can bring about this emotional equilibrium between them. It seems to be the vulgarization of Protestantism that gave the first answer to this question in economic thoughts. The first

(note 4) See the Preface of John Rawls, *A Theory of Justice*, Harvard Univ. Press, 1971, p.vii. However, I should add that I don’t fully agree to his understanding of utilitarianism as above. I come to think that the kind of utilitarianism Rawls refers to, is “utilitarianism 2” in my understanding. It is the view widely accepted in modern economics, especially after Lionel Robbins. It sets its aim on the maximization of gross welfare, and this welfare cannot but help to be measured by gross income. It becomes so, as far as it adopts the view that utilities of different humans cannot be compared. Different from it, “utilitarianism 1” is defined as the classical view, represented by Bentham. Rawls also calls Bentham’s view ‘classical’, but he seems to mean utilitarianism 2 in this word. In this paper, when I discuss utilitarianism, I mean utilitarianism 2. I may have a chance to discuss this point in other paper.
phase of the teachings of Protestantism which asserted the eternal happiness hereafter, neighbourly love as its measures, and the increased production and its distribution to the neighbours as the actual practices, have gradually changed into one arguing that it is the will of God that the lazy cannot even enjoy earthly blessings, which made the pursuit of wealth by each isolated individual the mainstream efforts in life.

Next appeared the theory of so-called laissez-faire. It has brought about the thought that to assure free, private acts = market economic system in accordance with the enlarged capitalistic activities on the ground of pursuit of private wealth by excluding public intervention as much as possible is to increase the wealth of the whole society itself. It played the role of diverting people's eyes from the difference structure of wealth between the rich and the poor by promising rapid increase of living standard for all.

Utilitarianism has in the meanwhile actually represented the standpoint to enlarge the interest of the poor by its assertion of favoring the majority's interest. But theoretically this principle also allows that the interest of the wealthy increases in exchange of the decrease of that of the poorer when the greatest majority is the wealthy, which means that it is actually not always a theory for the poor.

Although it has been accepted tacitly by many, there is probably not anyone who is willing to obey the unesetting condition of reducing one's own interest for the sake of the others' who are superior in amount. In that sense, the sanction one gives to utilitarianism is valid as far as he feels or judges it to be his own interest in some sense. (Or, if we could suppose some strengthening compassions, when it is to the interest of the poorer. In this case, losing some earthly goods of his own means gaining in more spiritual edification.)
When we focus our attention on the interest obtained from goods as supposed usually, one such a case is when one recognizes that he is always in the majority, the second is when he calculates his own interest sum is larger even if his belonging group is not always the majority, and the third is when he recognizes that, although he is always in the minority, the possible lost interest by rebellious acts is larger. All of them are actually based upon judging of his own self-interest.

If utilitarianism has been the mainstream, that really means such personal calculation of utility has formed the favorite environment for such choice. More precisely speaking, that firstly points at the development of such an age when more than half of the population regard themselves on the side of the majority, which has actually been the core of a democratic society, regardless of if they could actually behave as the majority and could obtain the largest share. With such substantial background realized, this principle actually has become able to be accepted by the majority. We can point at secondly the existence of the kind of conditions under which the disadvantaged couldn’t help supposing that the loss from rebellions would be quite large, which naturally follows the first condition.

Thus the general increase of living standard caused by the economic growth of 18 – 19th centuries and the disadvantages accompanying the thoughts and practices of other alternatives could conceal most of the complaints of the disadvantaged people, with the help of absolute increase of the majority’s (the working class’) economic interest. Such a process has materialized the “miraculous union” (note5) or compromise of the utilitarian principles that are inevitably uneasy demand, uneasy because it is felt advantageous only when one is on the majority’s side, and the view of free market economy, the latter of which seemed
to promise both better living for the most of the people and the pursuit of individual, private interest.

But in a period of low rate of economic growth or drastic changes of power relations among groups, in order to improve one's living, the advantageous realization of distributive ways of wealth to oneself becomes a more important and sensitive issue. There, the problem of distribution, long has been thought little of, or overlooked under the 'general' prosperity of the society 'as a whole', comes to receive more attention. What comes to be asked is the bases of distribution, which have usually been supposed to be two; contribution and need. And when goods are scarce, it seems generally that the former becomes the first rule of distribution.

One of the reasons of why the basis comes to be questioned more acutely today is the change of power relations among social constituents. The charge reflects the changes of political rights, knowledge level and eventually the powers for mutual interactions. When that change includes the tendency to equalize the social constituents' powers, the bases must change from one that reflects actual or virtual ownership, resulting from unequal distribution of powers, to another that reflects the degree of contribution more correctly.

In such times, utilitarianism cannot be a sufficient leading idea, social purpose or standard for economic activities. For half a century since 1930's, it's been a general concept of utility increase for the whole

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"The early nineteenth century performed the miraculous union. It harmonised the conservative individualism of Locke, Hume, Johnson, and Burke with the socialism and democratic egalitarianism of Rousseau, Paley, Bentham, and Godwin."
society. The present issue is distributive standards within. The standards of resource or product distribution themselves are questioned, which, as discussed above, brings forth the issue of *fair distribution*. Here the task is to refine the various distributive issues which have been left ambiguous in the former period, into a correct one matching the level of the demand of present social constituents. What kind of distribution is called right = fair for each one? How about resources? Products? Distribution to the socially weak? The standards or rules for them agreeable to social constituents are sought for now. More definite rules that can replace utilitarianism are needed. (note 6)

III Utilitarianism and New Purpose-Subject Views — From A Study of Some Representative Theories —

The guiding purpose views that should take place of utilitarianism must be one which can overcome its defects. It must first of all answer to the question of the characteristic purpose views of human economic activities at this stage of their behaviors, namely, what sort of distribution, and for whom and why? To consider this question, we first take up some of the representative views on this issue, namely those of A. Smith, K. Marx, J. M. Keynes, John Rawls and Amartya Sen.

1 Smith, Marx and Keynes
— From 18th to the first half of 20th centuries —

Different from the recent specialized economists, all of them first (note 6) Myrdal calls this defect of utilitarianism as lacking historical relativism. “Both the philosophies of natural law and the utilitarianism attempted to arrive at practical rules of conduct through theoretical speculation, and both, therefore, lacked a sense of historical relativity.” (Gunnar Myrdal, op.cit.,pp.25–6.)
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pondered upon philosophical issues of humanity or human propensity and society as a whole, and then developed economic theories as an important — probably the most important — part of or measure for social prosperity. The thoughts of most of the economists after them have usually dissolved both the importance of the vicissitudes of such total social framework and the issue that it constructs the ultimate rules as the critical factors of economic activities into the phrase of "ceteris paribus", rendering themselves unable to see the whole economic framework, both spiritual and material, on which every actual economic activity is performed.

Let's review their views from such a perspective. In their thoughts, the problem of whose weal to set as the purpose seems to be discussed in the question of how the social groups are related at the era in question.

Smith

The kind of social groups Smith thought of in the latter half of the 18th century seems to be attended by the characteristic of dichotomy, namely of feudalalistic and civil societies. (note 7) In this idea, the former is recognized as shadows and the latter as lights. He was after all interested in the dissolution of feudalistic constraints for growth, and


(note 8) Smith, op.cit.,p.508. “The natural effort of every individual to better his own condition, when suffered to exert itself with freedom and security, is so powerful a principle, that it is alone, and without any assistane, not only capable of carrying on the society to wealth and prosperity, but of surmounting a hundred impertinent obstructions.”
inevitable wealth difference. He argued that in civil societies, under free choice of occupations and movement, a remarkably wealthy living standard would be obtainable to social constituents. (note 8)

This is the main line of his idea, but we may not forget that he had felt some anxiety about the newly emerging wealth difference as shown in his ambivalent theory of labour value, so to say the two contradictory definitions of it. (note 9) But after all, his thought seems to be mostly an optimistic one under which he believed that the whole society or all the members would be in much better conditions. In this sense he was a naive utilitarian in the sense of putting the standard of social good on thinking of the weal of the nation as a whole. (note 10)

Marx

Marx in the latter half of 19th century took note of the tendency of enlarging wealth difference in civil society. He argued that civil society would be split into two major groups, namely the capitalists and working classes, also adding landowners class, the second of which would be overwhelmingly great in number. (note 11) He took here clearly the stand of utilitarianism, or at least a pattern of it, too, in the sense that he tacitly regarded the interest of the majority, the, working

(note 9) op.cit.,chap.6.
(note 10) "...what matters according to the classical utilitarian solution is the sum total of happiness, irrespective of how many share in it." "A Sunny optimism radiates from Adam Smith's writing. He had no keen sense of social disharmonies, for interest conflicts." (Myrdal, op.cit.,pp.38, 107.)
class, as the same as the standard of social good, or, it may be said, the greatest happiness of society. This of course is resonant with Bentham's idea, and it must have been made so because of Marx's original motive of trying to see social issues from the viewpoint of the whole human race. (note 12)

His idea of purpose subjects has two characteristics. First he had the idea of dialectic development of things generally. He understands the world to be always in the changing process, which is, because of a conservative factor, trying to stay as it is, and a progressive one trying to be another. He applies this view to human history, too. According to this view, all that we have to study is to find these two factors. He does try it and gives his answer: two classes have always been those developing-contradicting factors and now they are the capitalists and labourers.

He explains it as follows: ① Under capitalist social system or rules, the employed must be in a position of hardship. ② The hardship is because of exploitation, i ) which is unfair according to the civil rule of fair exchange, an exchange of equivalent values, ii) but fair according to another civil rule of free contract. (note 13) For such an argument, ③ there is a position denying the proposition i). It argues that Marx's

(note 12) Although Marx accuses Bentham of setting the typical man in his age as the standard human being for the whole history, (see Marx, ibid.,p.638) Marx himself shares the idea of utility of the whole human beings as the standard of man's acts. He differs from Bentham in that he tries to see the specific necessities characteristic of each age.

(note 13) Marx lists up many factors as the illegitimacy of original accumulation process that work to force the working class to obey the present contracting situations. This seems to suggest that he puts much emphasis on the fostering of the working class's powers and it is the only lacking factor for them to solve the exploitation problem.
answer to the critical question of the origin of profit is wrong. The critics maintain that the profit is originated by capitalists. Another position denying the unfairness of that idea of argues that even if proposition i) is true, ii) is stronger as a rule, bringing about no problem.

Marx argues against 3, but not 4. He seems to approve the position of 4, and proceeds directly from 1 to 5, which asserts that the working class grows in number, becomes the majority, united, and stronger than the employing class. It inevitably causes revolution of the system, which necessarily brings forth a new one favorable to them, one which doesn’t have the means of exploitation, i.e., private ownership of productive goods. (It inherits the rest of the merits of the old system, particularly the high productivity.)

The logic from 1 to 5 suggests that Marx views human history materialistically. The interaction of factors according to Marx is almost the same as in physics. But his view also has an idealistic aspect. He shows much sympathy to the weak, the oppressed. This aspect of his view, however, is not interwoven in his theory above, just like arguing that “the weak is always the majority group or the side which inevitably grows stronger than the stronger at present.” His sympathy might have helped him make the theory above, but is not adopted as a necessary element in it. In this sense, he refers nothing to purpose subject views from a viewpoint of the factor of sympathy.

But as history develops into a democratic phase, and as people come to ask the question of for whom, increasingly strongly, this unanswered question of the standard of fairness and the degree of compassions becomes more of a critical factor for determining the whole structures of social and economic system. We can change, or cause revolutions
to, the existing system, particularly the distributive system for the very reason of “escaping from hardship to a better world”. But that logic can work only when we are sure who the “we” are, and what ‘we’ want.

As for fair distribution based upon self-interest, when people come to turn their eyes from mere optimism of total economic growth and conflicts for more shares to the limited growth under environmental or population constraints, they can’t expect to improve their conditions only by paying attention to the macroscopic terms alone. We need to know the accurate shares we are entitled to, or can legitimately demand. This requires us to answer these questions of purpose subject views precisely. (Some of these are the questions of ② to ④ above.) (note 14)

After all, as the consequences of his logic, these ideas pulled out strong movement from the working class, and its uplift brought about the enhancement in the right to determine rules, and actual increase of product distributions.

Additional comments on Marx’s theory:

When we think about Marx’s view of fairness in product distribution, we must also bear in mind some other difficult questions which is somewhat technological. They are firstly, the question of how much reward for entrepreneourial endeavor in any society is fair, that has to do with the difficulty or ‘risk’ of starting or closing of business itself and secondly, the question of how to measure personal contribution of each employee toward one undividable product.

Under capitalistic society, such a capitalist undertaking surely includes riskful or adventurous activities as developing technology, new
ideas of connecting heterogeneous productive goods, and risk-bearing for starting new enterprises, all of which are probably not carried out without the prospect of high reward. Certainly the working class has achieved quite an increase in the relative share of income and improvement in working conditions for more than a century through unionization encouraged by Marx's theories. But how much is their progress in these two fields are justified concerning the question of determining fair rewards? These questions are technological, but have grave significance in any system of society today.

And the question as to how to treat the problems Marx points at as working as the original sources of exploitation, namely the distribution

(note 14) Marx calls the capitalistic exchange system as free, equal, possessive and Benthamic. (ibid.,p.190.) If this means that he admits these rules as the first bases of civil society when they were rightly applied, even though he refutes the idea of exploitation or aquisition for nonpayment, such an idea would become legitimate as far as it is carried out on the participants' purely free will or free contract. From this viewpoint, what to be blamed seems to be the exertion of pressures on the working class in the process of decision makings in spite of the external appearance of "free" contract or exchange. If such interpretation is right, that means what Marx actually maintains is that what we should pay attention to is the question of these "undue" pressures and conditions for them, and not the fact of exploitation itself. Of course in this case, too, the critical issue must be on the power relations for changing the rules for these conditions.

A little comment on the difference between the view of fairness and the sense of fairness. We have views of fairness or recognitions of fairness (= fair rules), which are changed or accumulated age by age. Some of them are transmitted as premises of the new societies. New views are formed newly where the old ones wouldn't cover or when the usefulness of the old one expired. They are made subject to a newly born purpose subject view or power relationship. The very factor which starts such changing process within us is the sense of fairness. Sense starts the movement and then it is recognized by reason.
of productive conditions such as inheritance successions, and distribution of natural resources are not dealt with in his theory in a general framework.

We, in this age when quite a number of population have come to obtain higher standard of living, owing to the efforts of the predecessors of present workers, seem to need precise answers for these questions above. The piecemeal efforts so far have accomplished some institutional changes for this problem, as certain restrictions to inheritance or social aid for education but they are not yet systematically fabricated as a fair total system. We do have fundamental articles in the national Constitution for these matters, but they are yet to remain as ideological phrases whose implications are not yet fully worked. Thus we need a theoretical formulation in this field based on a perspective incorporating the changes of human nature caused by the modern living conditions.

Keynes

Keynes, although he evaluates the effect to uplift incentive of free, private enterprise system through the differences in income levels, points at the defects of laissez-faire market system, namely of instability of opportunities to work and its serious result, and disadvantaged income distribution to the poor. Against the argument that although laissez-faire brings about wealth difference, the differences are compensated for by its allowing progress to take place in the whole society, Keynes replies that there ought to be a guarantee that the able are always given the maximum opportunity for work. (note 15) He doesn’t go any further into details, but his thought would naturally lead to the
necessity of institutional guarantee of such opportunities.

We should note that he also describes about the sympathetic feelings of ours as follows, “If we have the welfare of the giraffes at heart”, “we must not overlook .. the .. struggling greediness” or “the sufferings of the shorter necks who are starved out”. (note 16) This description seems to show that Keynes also shares the stand that we should pay due attention to the existence of social sympathetic feelings and its changes as one of the substantive frameworks for economic activities.

Standing on such positions of guaranteeing opportunities and assuring the institutions appropriate for our sympathetic feelings, he proceeds to argue about the present situations that although the income difference between capitalist and labourer is necessary for labour incentive, the present difference is too large. But when taking a closer look at the problem, as its improvement needs a long time, he focused his attention on the then-pressing problem of under-employment. His policy suggestion of full or high employment through effective demand policy by government finances has since been largely accepted, which partly owes to the growth of democracy and the necessity of showing superiority of capitalist economies. Such development after all happened to strengthen the negotiating power of the labourers by putting their stands relatively higher through manpower shortage caused by constant economic prosperity, which resulted in a great improvement of their

(note 15) Kenynes, op.cit.,p.283. “This assumption, however, of conditions where unhindered natural selection leads to progress, is only one of the two provisional assumptions which, taken as literal truth, have become the twin buttresses of laissez-faire. The other one is the efficacy, and indeed the necessity, of the opportunity for unlimited private money-making as an incentive to maximum effort.”

(note 16) ibid.,p.285.
living standards. Thus Marx, through unionization, and Kenyes, through effective demand, both strengthened the position of working class intentionally or unintentionaly. (note 17)

We must add another factor to the changing relationship of these two classes, the internationalization of economic societies, under which the antagonism between the two groups, capitalist and labourer within a country, has ceased to be the only critical issue. At this stage, we must pay due attention to the problem of distribution among labourers of different nationalities, e.g., the problems of foreign labourers in highly industrialized countries, aid to alleviate poverty, participation in worldwide environmental protections, etc.

Of course the working class has common interest against the employers, but it also has common interest against workers in other countries. The latter problem seems to be a critical issue in times of low growth rate as today. Under such conditions, too, we must answer the question of our purpose subject view at first: especially “how much are we ready to share our capability and wealth with the less better-off peoples?”

On such a new stage of changing productivity and group conflicts accompanying unanswered fundamental questions, we need to find out new social rules suitable for a new society, a society which precisely fits the name of civil society. We need to proceed in this study, an approach to which might be found in the studies of Rawls’s and Sen’s

(note 17) From this point of view, we may comment on recent low rate of growth or recessions for the past several years or a decade, that they might have been caused by the maladjustment of supply and demand by the weakening of the stand of full employment or pro-labour policy on account of the accumulation of government budget deficit.
search for present characteristics of fairness and sympathy discussed below.

2 Rawls and Sen

Rawls

One of the representative scholars who have taken up modern issues concerning the questions above is John Rawls. (note 18) He has been in the center of researches on this matter of social rules for the past two decades in Aglo-American academic circles. The marked characteristic is his putting utmost weight on social contract tradition in contrast to utilitarianism, which proceeds from isolated individuals to the formation of society, resulting in establishing the idea of original agreement under the veil of ignorance. He concludes as the agreed rules the assurance of equal liberty and difference principle under such an agreement condition. (note 19)

He argues that under modern democratic societies, people will never make utilitarian rules, under which they might face the danger of sacrificing their own interests, and then search for the alternative ones. He then postulates the condition that the fundamental rule for basic structures of a society must be agreed on unanimously so as to bring

(note 18) op.cit. As Durden says, “social/public choice is such a rapidly growing field of increasing importance it seems particularly relevant that we pay tribute to the founders.” He surveys the classics and important works in the field by the number of citations. Rawls comes first in every 1975 to 88 chosen 6 years, with the cited numbers never falling down. Without doubt, he has been the distinct leader in this subject. (Garey Durden, “Determining the classics in social choice”, in Public Choice 69, 1991, pp.275, 267.)
about stable integration of society. This condition cannot help but lead to his invention of veil of ignorance, under which people can make rules without the necessity of considering one's own advantages or disadvantages, which will necessarily lead to the former two principles — equal liberty and difference principle —.

It appeals to the altruistic part of our spirit in that it doesn't count one's own superiority as the basis of reward. And the result the second principle brings about, the good treatment of the weak do appeal to us strongly, too. We are without doubt attracted much by the theory.

But with such merit are also accompanied some demerits. We cannot but see in the idea of veil of ignorance an unrealistic basis, and in the resulting difference principle, some disagreement within our moral sense which may have to do with the egoistic part of our spirit.

According to this part, we are attracted by the theory when we are weak, but dissatisfied when we are able to think of ourselves in advantaged positions. In this sense, his is a question well posed, but not well answered. In order to solve this question, we need to apply the group conflict viewpoint discussed in 1 above.

Sen

Sen is another representative scholar who has studied the social/economic rules fit for modern society in the latter half of the 20th century. Reviewed below is one of his recent studies on the appropriate index of welfare, namely the achievement of capabilities. (note 20)

He poses a question of what is the index for measuring the desirability of social conditions and argues it must not be one focused on the distribution of goods themselves. Instead, he argues that social welfare should be measured by the realization of one's capabilities. Utility should be used only as a measure for the satisfaction accompanying such a realization, he asserts. (note 21)

We can contrast the characteristics of Sen in comparison with Rawls. Rawls constructs his theory so that a distribution of fundamental goods on difference principle should be established, which is surely different from utilitarianism that argues for the maximization of the total utility of society. As an application of hypothetical original position, the theory has a result of treating the weak well, but the motive there is nothing but a strategy of self existence based on self-interest, and the motive force seems to be the evasion of danger. Different from him, Sen sets his aim on the distribution of goods fit for the necessity of each one.
He means by this that amount necessary for one to realize his ability/capabilities, which are different individually, as e.g., the handicapped need more goods for reaching the same amount of utility compared to the normal. According to Sen, “In getting an idea of the well-being of the person, we clearly have to move on to ‘functionings’, to wit, what the person succeeds in doing with the commodities and characteristics at his or her command. For example, we must take note that a disabled person may not be able to do many things an able-bodied individual

(note 20) In his recent book, he describes, “The main purpose of this tiny book is to present a set of interrelated theses concerning the foundations of welfare economics, and in particular about the assessment of personal well-being and advantages. I argue in favour or focusing on the capability to function, i.e., what a person can do or can be, and argue against the more standard concentration on opulence (as in ‘real income’ estimates) or on utility (as in traditional ‘welfare economic’ formulations). Insofar as opulence and utility have roles ... these can be seen in terms of their indirect connections with well-being and advantage, in particular, (1) the causal importance of opulence, and (2) the evidential importance of utility (in its various forms, such as happiness, desire-fulfilment and choice).” (From the Preface of Amartya Sen, Commodities and Capabilities, North-Holland, 1985.)

(note 21) Ibid. According to Sen, well-being is seen as “an assessment of the particular achievements of the person - the kind of ‘being’ he or she succeeds in having. On the other hand, advantage [actual chances-quoter]... has also to take note of the real opportunities faced by the person.” (ibid.,p.51.)

Sen refers to Arrow’s impossibility theorem: “The escape route that receives the largest share of Arrow’s attention in the later essays is the possible use of interpersonal comparisons of utility.... bringing welfare economic analysis in line with moral philosophy, e.g., using the utilitarian approach, for which Arrow clearly does have considerable sympathy,...linking up normative social choice theory to ethical traditions”, “...the holding of primary goods is not a feature of a person’s state of existence, but of the means to his achieving one state or another.” (Sen, “Choice and Justice”, op. cit., pp.1771, 1773.) Assessment of advantage must involve the evaluation of a set of potential achievements and not just the actual one.
can, with the same bundle of commodities./A functioning is an achievement of a person: what he or she manages to do or to be.” (note 22)

We can evaluate his argument both for his merits and demerits. His first merit is that it shows clearly that there is the question of what content we should give to the “need” when we consider the problem of the standard of distribution to needs. And second is that it also has the significance of positively showing an answer of his own to this question.

His demerit is that although his statement above does have the possibility of having showed our subconscious, changing spiritual tendency, it only remains as a possibility by itself until its existence is convincingly proved. There may be many to agree to the assertion that distribution to needs from functional point of view is preferable. But it can work or can be adopted unconditionally only when there are no other standards, that is, actually, when there exists no scarcity problem. As far as this problem exists, we must consider distribution by needs in tense relations with other standards such as merit distribution. Such necessity will also make us determine the degrees of needs of each person within a given priority of the needs distribution and given amount of resources.

For the solution of these problems, it here again becomes necessary to establish the rules that determine the priorities or the weight of

(note 22) Amartya Sen, Commodity and Capabilities, op.cit.,p.10. Such an argument is also meant to be a critique against utilitairanism, “But what about the cripple with utility disadvantage...? Utilitarianism, I had complained, will give him less. The Difference Principle will give him neither more nor less on grounds of his being a cripple. His utility disadvantage will be irrelevant to the Difference Principle. This may seem hard, and I think it is.” (Amartya Sen, Choice, Welfare and Measurement, Basil Blackwell, 1982, p.365, underline quoter.)
needs. When priorities are questioned, the answer will be given through the interaction of concerned groups; here between one that supports the kind of distributive method proposed by Sen, and one that supports the others. The critical issue is reduced to this question. Sen’s argument proposes an attractive alternative, but with no proof. Thus, his concept remains as one of the possible answers until it is publicly chosen as the standard by the determining rules. When it comes to the question of establishing rules, what counts for much is which of these distributive rules are to be realized in the actual material — and probably spiritual — conditions.

3 Evaluations

We can conclude the following two statements on Rawls and Sen, two of the representative recent scholars on the issue of appropriate social distributive rules of today. First, we should evaluate their contributions as valuable because both of them present their positive views on the problem of today, namely of a gap between present institutions and our changing recognitions, Rawls from a viewpoint of the strengthening of the sense of fairness (note 23) and Sen from that of the strengthening of the sympathetic feelings. But second, as I have referred to above, their thoughts have the following defects without conquering which their theories must remain only as unproved, candid essays.

As we have seen in previous paragraphs, the defects are the unreality of the hypothetical original position or veil of ignorance in Rawls, and the lack of proof of Sen of the reasons why the idea of distribution of goods suitable for the achievement of capabilities is not only a personal wish but also strong enough to be actually socially adopted. Without
proving that there exist conditions for these two ideas to be widely accepted, they remain as mere wishes. (note 24) Rawls’ and Sen’s arguments seem to be quite sensitive to the changing characteristics of the real society, which may be an unintentional characteristic of their theories, but any precursory ideas need positive proofs to follow. With these works added, their outwardly forerunning and idealistic arguments will really be ones that deserve the name of contributions to open up the approaches critically needed in modern phase of these framework problems.

4 Summary of the Arguments Above

It may help to review briefly the above arguments here. In the first part of this paper, I put as premises the following viewpoints: ① the bases of economic activities are cooperative rules or systems, ② they include fundamental recognition of the interpersonal relations as critical factors, ③ what is asked there is an ethical problem of understanding ourselves, namely for whom and for what results the cooperation or production itself is carried out. In the process of the argument, we proceeded from utilitarianism to a hypothetical thought that utilitarianism might be losing its position as a mainstream idea today, being inappropriate to deal with the central issue of today, namely the distributive problems. If such reasoning should be right, investigating

(note 23) I think his contribution should be located and appraised in this line of argument; a changing sphere of interpersonal relations.
the alternative rules will become our next theme.

In line with such an understanding, we have explored the characteristics of such new rules, gathering hints from the classical and modern thinkers from Smith to Sen. In the former, we found in their thoughts some ideas which would lead to the idea that new stages of conflicts or changes of power relations among groups, accompanied by productivity growth, are the fundamental causes for necessitating new rules. In the latter, Rawls and Sen, we paid attention to their arguments as possibly foretelling the principal changing directions of purpose subject views of the latter half of the 20th century, namely their ideas of distribution based upon fairness and needs.

As I concluded the previous section by referring to Rawls' and Sen's shortcomings of their ideas' unrelatedness to the real conditions, it may be necessary to give some comment on this matter or on the approach to the question of purpose subject recognitions.

**IV An Approach to New Purpose Subject Views**

—How to analyze this question—

When we analyze the attributes of the rules sought or the equilibrium point - so I call it based upon my power relation understandings, which, I maintain, is the main character of our rule making process of today - (note 25), that determines the “fair opportunities” demanded today, power relations as represented by the number of votes or physical force comes into question, but they only show the ‘length of a vector’. Lacking another factor, the direction, equilibrium or fair rules as the integration of these two factors, cannot be discerned clearly. (See I-1) This direction is recognized here as determined by the interest pursued by each group, which depends on the recognition of their purpose
subject, that is for whom and for what conditions each group member lives for (the purpose subject view).

We are asked now how we, or the majority of us, postulate such views for the present conditions. From our reflections on some distinguished scholars in the previous section, it has first become clear that we have not yet solved this question. (note 26) We can mention, e.g., of mutually uninterested, self-interested human type as Rawls suggests or one being mutually sympathetic as Sen suggests, but only as hypotheses.

It would not be difficult to agree to the existence of these types of people or co-existence of them today, but what is asked of economics, or what economics can accomplish must be to answer what are the chosen rules to come tomorrow or next year and with what characteristics. To answer these questions, arguing the intuitively felt newly emerging tendencies is not enough. We must also dissolve how much weight will these propensities come to have, and how the competing relations will be with other characteristics of purpose subject understandings in accordance with the actual, probably material, conditions. (note 27)

The main task of this paper is to make clear the remaining tasks in this field. Some considerations concerning this matter have been given in my previous paper, where I argued that the present or emerging human type will necessarily be one like this: <one that gradually changes but at this stage starts originally from his personal self-interest, seeking for thorough application of fairness in the distribution of

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(note 26) Even in Marx's theory, it is not asked what purpose view each member of the 'new' class has.
original resources and products, among producers, and then proceeds to the area of redistribution of wealth to the needy based on gradually but steadily growing sympathy>. (note 28)

How are the considerations above in this paper related to this line of my previous argument? It should be as follows. The latter seems to offer a framework of evaluation for the arguments of Rawls and Sen, who embodied, to my understanding, the culminations of modern studies on this matter of purpose subject views. As conjectured from my wording here “then”, I take the position that those two arguments should be given the positions or developing phases as follows: the propensity of strengthening the sense of fairness, which is familiar with Rawls, is the strongest self-understanding of human beings of this stage. When this propensity grows to a due point, the next one which greatly values sympathy for the weak or “commitment”, as represented by Sen, after its being fostered in the previous process, will be the overwhelming character. From these observations, Rawls’ argument should be thought more of as a proper understanding of the characteristics of this stage, than of Sen’s (at present).

How will these newly weighted propensities suggested by Rawls or Sen grow? Or will they grow without failure? I have referred to the

(note 27) Cf. Myrdal, “It should be one of the main tasks of applied economics to examine and to unravel the complex interplay of interests, as sometimes converge, sometimes conflict.” (op.cit.,p.193.)
(note28) “Economic System,...”, op.cit. The critical difference of my idea and these two thinkers is probably that I emphasize that human motive itself changes based on material reasons of the real world, as expressed in “thorough application” of fairness or “growth” of sympathetic motive. Not just finding them out where they used to be and still are hiding themselves is the question.
reasons why I argue that such human propensities change in my former papers. I can add some more considerations on this issue based on a hint given by Sen's sympathetic motive. To begin with, a human being as an individual has its limit to its existence, and the basic form of existence seems to suggest human beings have the propensity to wish his direct descendants' welfare, and if possible that of his species' in general next. It is so construed because one who can work most efficiently for his or his direct descendants' existence is he himself, who of course can and does wish and work for it most strongly than anyone else, which viewpoint of efficiency explains best his behaviours of putting himself and direct descendants first. (note 29)

But at the same time, it can also be looked at from a different viewpoint as that each human being can be seen as experimenting their adaptability or survival possibilities as a representative of his species in various environments of the world, in various natural and social conditions, which may be called as division of existence likened as division of labour. When seen from such characteristics of mankind, they will surely have the tendency to enjoy witnessing the proliferation and prosperity of his broader fellow human beings when possible, not barring their own existence.

Then when is it possible? We can think of two cases: one is when our productivity grows to a point high enough to allow no scarcity problems. The other is when other human existence comes to be felt not as

(note 29) Although Rawls sets humans uninterested to others in the original position, he holds as the character of actual people those sympathetic ones, whose good, "the success and enjoyments of others are necessary for and complimentary to". (op.cit.,p.523.) The question is where the actual humans stand in between these two types, uninterested and sympathetic.
a mere measures but as a close existence, close enough to be felt as composing a part of his purpose subject. To discern these dual characters of purpose subject problem is the very theme of us today. What we should learn from Rawls’ and Sen’s arguments is such a perspective they possibly lead us to.

And if the changes of our living conditions should work to have a long term tendency to bring about closer relationships among humans, which I argued would help grow the two propensities, we must make clear on what stage we are now. As far as we can judge from our present recognitions or unconscious senses, or from present state of actual laws, it seems we might have to conclude that the sense of fairness we have seen above is the critical problem which prevails in our understandings, based on the degree of the solution of scarcity problems. We have advanced significantly in that sense, but not enough for the kind of propensity that Sen proposes to flourish.

Humans have historically expanded their contacts from among kinship circles to larger groups, pushed by a powerful engine of self-interest realized through cooperations with heterogenous groups. This process can’t help but foster above two feelings. We must proceed much further in asking the developing phases of such phenomena, especially suggested in the kind of questions posed by Rawls and Sen. How the present distributive rules of resources or products are to change and on what material reasons must be answered. This analysis, necessarily combined with that of power relations among groups having different ideas concerning these problems, make possible the forecasting of the changing directions of present rules, which will eventually show the possible alternatives for social constituents, and make their choices more efficient.
Conclusions

1. The kind of viewpoint of dynamically changing process of rules referred to in this paper as productivity change, purpose recognition change, measures-power relation change, and rule change are not found in a systematic fashion in the tradition of economic-ethical analyses existing up to Rawls's or Sen's.

2. Such a view, however, has been referred to here and there in classical economists' thoughts as above.

3. But for this question to become the object to be analyzed with full force, the demand for fairness in opportunities to attain life's potential must have shown up as the main character on the stage, supported by the material force of economic growth and changes in power relations of different groups. Time seems to be ripe. We now seem to feel acutely the necessity of such rules.

4. Rawls has started to investigate this question, presenting a systematic analytical framework, but has left the actual analyses undone.

5. Sen has also remained in proposing a favorite distributive idea from a standpoint of neutral spectator. His distributive theory of goods for developing capabilities does appeal to the altruistic part of our spirit, which can be valued as keenly picking up intuitively a characteristic of newly coming social rule, but also leaves the questions of its reasons and how and when it becomes the prevailing factor unanswered.

6. The conclusions from the analyses of the characteristics and questions about ethical economic approaches from Smith to Sen, which constitutes the main part of this study, are as described above. They
suggest the necessity of positive analyses of economic rule makings and especially purpose subject recognitions under *actual material conditions*.

Such an understanding, in my view, seems to show the appropriateness of my argument on this matter in my former paper. (note 30) Such a way of consideration of coming rules from a viewpoint of dynamic analysis of historical, material changes may be one of the arenas where economics could display its merits for such an inter-disciplinary problem.

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