

AMARTYA SEN'S RATIONAL FOOLS :  
A PHENOMENOLOGICAL CRITIQUE OF WELFARE  
THEORY

by  
ARTIN HOTOTIAN  
Lecturer of Economics  
Aristotelian University of Thessaloniki

«And in the positive sciences philosophy dwells and gives an internal meaning from which the researcher receives support and direction in his methodical work. If this direction does not exist, then science falls into, unlimited liberality, into indifferent precision, into purposeless activity.»

K. JASPERS  
Philosophy and Science

The term «rational fools» that A. Sen uses in his book *Choice, Welfare and Measurement*, chapter 4 titled as «A Critique of the Behavioural Foundations of Economic Theory», seems to indicate, at first glance, the paradox of viewing homo economicus both as a rationalistically behaving consciousness and as a wishing and fallible consciousness. The term rationalism in philosophy has a two-fold meaning. The first has to do with the *επιστητόν*, that is, the principles we ought to know based on reason alone for the true knowledge, and the second has to do with the concept of calculative method that some economists assume characterizes the behaviour of human beings. The former standpoint evolves from thinkers who recognize reason as the sole authority of knowledge and the problem of objective knowledge as the basic problem of human activity, and not as a partial instrument of human activity. The basic axis of rationalism was invented by René Descartes and dictated that the correctness of human method involves the principles 1) of not accepting anything as true if it is not obviously certain, with no pre-occupations or hurry. 2) of dividing the problem or the difficulty in many parts so that it is better solved. 3) of directing the thought with order, starting from the

simple and easy and going to the complex and 4) to make everywhere complete quantifications and general reviews so that man is certain that he has not missed anything and the object is not sought elsewhere. He later evolves from the position that human consciousness is, in the average everydayness of *dasein*, a calculatively thinking individual. It seems to me that A. Sen's theory of rational fools relies on both aspects although, paradoxically, he embodies in his theory the non-rationalistic behaviour of *homo economicus* that is viewed from the aspect of phenomenology. That is, Husserl's science based on essential intuition through which objects and reality are immediately given to consciousness, where the problematics of truth is referred.

Having read Sen's article, I could say that the paradox of the term «rational fools» lies in the combination of the theories of two different philosophical schools; of the rationalistic school and of the phenomenological school, but in a way that neglects the distinction between reason as such and the problem of knowledge as the basic problem of human activity. By using the word fools, Sen does not take into account that reason opens to the totality that engenders feeling as an openness to happiness. Also he does not consider that the feelings of *homo economicus* interiorize reason and show him the reason of another specific person, because through him man appropriates reason for himself. We should remember that Grigorius of Nissa defines the concept of the person as «το ιδιάζοντος της κάθε υπάρξεως σημείον». The «ιδιάζοντος» is not defined but lived, which means that it is not ontic but ontological. And «σημείον» means mode. By the term ontological we mean the identity and possibility of the person.

A. Sen begins with the distinction between sympathy and commitment and argues that economic behaviour based on sympathy is in a crucial sense egoistic, for one is pleased at others pleasure and pained at others pain and that the pursuit of one's own welfare may thus be helped by sympathetic action. Furthermore, it is action based on commitment rather than sympathy which would be non-egoistic in this sense. But this proposition neglects that the economic poverty of the person can be alien to me and that I do not always succeed in making it my own. It may be that I have certain personal preoccupations which are too absorbing to leave any room for this feeling, and therefore one must not be misled by a false atomism. This distance between me and the other has nothing in common with that positive human sympathy on another's welfare to which the other person appeals and which I really do not feel. Consequently, the action that is not based on commitment does not indicate that it is actually egoistic. It may very well imply that the person is indifferent or unable to help since he might be «flying» elsewhere

through his imagination that renders him unable to help others. So, in the case of consumer's surplus, the element of homogeneity in estimation between consumers becomes impossible, regardless of their income, and the good may disappear from the market.

A. Sen also says that the characteristic of commitment with which I am most concerned, is the fact that it drives a wedge between personal welfare and much of the traditional economic theory relies on the identity of the two. This identity is sometimes obscured by the ambiguity of the term «Preference», since the normal use of the word permits the identification of preference with the concept of being better off and at the same time it seems not quite unnatural to define «preferred» as «chosen». He continues his argument by saying that he does not hold strong views on the correct use of the word «preference» and that he would be satisfied as long as both uses were not simultaneously made. I think that the key concept that would violate Sen's identification on the meaning of the two words, is the concept of *belongingness* that G. Marcel uses in his book *Creative Fidelity*<sup>1</sup>.

According to G. Marcel, «belonging», means the action of opening of an unlimited credit account in another's name, with which you can do what you want with me, the fact of giving myself to another person. It indicates the fact that I freely put myself in your hands, that is, the best use I can make of my freedom is to place it in your hands. It is as though I freely put myself in your hands as an economic person, or in other words, it is by that very substitution that I realize my economic welfare. Of course belongingness sometimes presupposes intersubjective existence, a claim and simultaneously a commitment in the progress of the functioning, «I belong to you, you belong to me, thus I belong to myself», where no interpersonal comparisons of satisfaction can be made in consumption through family income.

This existential functioning is strong enough to distinguish between the concepts of preference and choice since the choice of the specific other person also determines my economic preference, although his choice is not made by me. Furthermore, Sen considers the difficulty in welfare comparison when a person's choice happens to coincide with the maximizing anticipated personal welfare that would be unaffected under at least one-counterfactual condition, in which the act chosen would cease to maximize personal welfare. This difficulty though, could be over-

1. Marcel, G. : *Creative Fidelity*. Translated with an Introduction by Robert Rosthal. The Noonday Press 1964, Page 40.

come when the personal welfare of two persons is characterized by the coexistence that is termed «being at home» where we do not have two different personal welfares put together, but the maximizing of the anticipated mutual welfare that can't be separated through the addition of the two individual functions of welfare. K. Arrow's impossibility theorem, for example, excludes the consideration of intersubjective preferences and choices, although correctly assumes that the will is autonomous. These preferences are simultaneously autocentric and heterocentric.

Of course such a situation presupposes commitment which for Sen does not presuppose reasoning although it does not exclude it. He supports that insofar as the consequences on others have to be more clearly understood and assessed in terms of ones values and instincts, the scope of reasoning may well expand. But Sen's argument does not take into account that although the hierancy of values may be determined on the basis of the person himself, whose will is autonomous, it is possible that «being at home» may still characterize the feelings and reason of homo economicus. So, I would venture to say that the feelings of a specific person may interiorize intersubjective reasoning although desires and will are autonomous. This interiorizing of reason, on issues of economic welfare, reveals the reason of each person and the reasoning of intersubjective existence. Sen is right when he supports that the scope of reasoning must expand; because, as Paul Ricoeur<sup>2</sup> states, feeling reveals the identity of existence and reason in the person. Through feelings man appropriates reason for himself. Feelings for him are the very belonging of existence *to* the being whose thinking is reason. This means of course that the «rationalistic» inconsistencies in choice behavior have to do with the meetings, which Ricoeur calls «events», that determine the direction of happiness and welfare both of the person himself and the intersubjective existences. These directions are rational because they give birth to feelings that include reason but do not spring from a fixed law that origin our knowledge of reality. Since commitment involves feeling, it is not positional, it does not believe in the being of what it aims at, it does not posit any being. Since it does not posit any «being», it manifests the way I am «non-rationalistically» affected. Reason without feeling remains in the duality, in the distance unable to capture the content of these meetings, because generally the feelings towards the other proceed in speed the «knowledge» of the other person. So the changes in preferences and tastes about goods may not be predicted on an objective basis.

2. Ricoeur, Paul : *Fallible Man*. Translated from the French by Charles Kelbley Henry Regnery Company. Chicago. 1967 page 55.

A. Sen also argues that sympathy relates similar things to each other, namely, welfares of different persons. Commitment relates choice to anticipated levels of welfare. He defines commitment in terms of a person choosing an act that he believes will yield a lower level of personal welfare to him than an alternative that is also available. Specifically, he supports that the comparison is between anticipated welfare levels and therefore commitment excludes acts that go against self-interest. I think that Sen does not distinguish here the concept of commitment, which relates to the inter subjective existence of interpersonal relations, with the concept of human character. Character in non-personal relations is the primal orientation of my total field of motivation and this field is my openness to humanity and humanity's welfare. Humanitarian character is man's personality, just as objectivity is the thing's thingness. Character is the narrowness of the «whole soul» whose humanity is openness. Since character is in a certain way a fate that governs me from the inside, it is in a twofold way. First it is unalterable, and then received and inherited. Consequently, the definition of commitment may very well not exclude acts that go against self-interest and personal welfare. Through good character, welfare is in cases not autonomous, but indicates an interpersonal and social need in the process of being satisfied. Due to good character, welfare binds me to others and to life, for it shows that living is not one activity in the midst of others but the existential condition of all others. This means that the evaluation of the social desirability of alternative economic states can have a basis and that social preferences can be ordered, through social subjectivity's non-formal ethics of value, although irrelevant alternatives are not necessarily independent as K. Arrow assumed in his axioms.

A. Sen describes a person as being rational in the limited sense of revealing no inconsistencies in his choice behaviour. And that if he has no use for these distinctions between quite different concepts, he must be a bit of a fool. I think that characterizing a person as rational on the basis of choice behaviour, amounts to seeking out the laws of real welfare connections within the processes of the correlative psychic dispositions of the person, and the related processes in his bodily organism. These laws according to Ed. Husserl<sup>3</sup> are nothing else but formulas comprehending a necessary and exceptionless linkage in the co-existence and succession of events and concepts that man encounters. But actually the linkage and, consequently, the linkage inconsistencies are causal ones. Consequently, the characterizing of a person as rational on the basis of choice behaviour on welfare deprives the word rational of its true meaning, that is to be identified with existence through feeling which is non-voluntary and indicates

3. Ed. Husserl: *Logical Investigations*. Part I Vol I. Translated by Wallas Willard. Chapter. 4. Routledge and Kegan Paul. London and Henlen, 1982 p. 132.

obviously that the «essence» of dasein lies in its existence. Dasein gives birth to an intelligence in activities it is fond of, rather than it has intelligence. The person acts and chooses through ignorance, rather than in ignorance.

The distinction between the concept of sympathy and the concept of commitment is considered by Sen as valid, although the words chosen do not have any merit for him. I would agree on the first position but differ on the second. According to Heidegger<sup>4</sup> each word is a relation that sustains the thing or the concept so that it becomes what it is and reveal itself to consciousness. I will try not only to distinguish but also to make clear the difference between the two concepts. The concept of commitment reveals the fact of belongingness which involves an optimal significance and an inner density. It is not an attitude of detachment or reserve. This I «belong to», in its strongest acceptance in economic life, implies the awareness of a contest which is engaged, which can therefore be lost, and for the sake of which one completely exposes himself. It is not an attitude of detachment or reserve. As G. Marcel analyses the term, the statement «I belong to» is degraded to the extent that the reality to which it subordinates, stabilizes, hence becomes like a machine of which I am a gear. So, in man's economic life a commitment implies the «I belong to you» and your welfare's problem, and that you belong to me implies a flexible economic claim. So, the equality of the rates of commodity substitution of consumers can not lead to Pareto optimality in this case.

But is the concept of commitment separable from the concept of sympathy? Although we have made clear the difference between the two, I do not think that they can be always separated. The key concept that makes sympathy go along with commitment is character. The concept of sympathy has to do with the feeling of the person's personality which is humanity. According to N. Berdyaev, personality is an ethical and spiritual category. It presupposes the existence of suprapersonal values. It does not mean an egocentric isolation<sup>5</sup>. Sen also says that although sympathy enters directly into the so-called subjective preference and subjective preferences are taken to define man's welfare function, the intention seems to exclude commitment from it. An ambiguity arises from the fact that these are defined to express his preferences in the full sense of the word as then actually are. So he asks, is this in the sense of choice, or in the sense of the

4. Heidegger M. : *Language, Poetry, Thought*. Translated by Albert Hofstadter. Harper Colophon Books 1971, page 189.

5. Berdyaev N. : *Savery and Freedom*. Translated by M. French. Charles Scribner's Sons, New York. Pages (25), (36) and (37).

conception of this own welfare ? I would answer that it is a matter of the person's character. If commitment does not go along with sympathy, then the person's welfare function is to be defined on the basis of the person's subjective preferences alone but, if the commitment is bounded with sympathy, then the person's welfare function cannot be definite, since preferences are not expressed as they actually are but are realized in the process of belongingness. As S. Kierkegaard<sup>6</sup> puts it, man can end up with the love of all starting from the love of the one. This means the conquering of freedom that is easier achieved if we think in terms of the disclosing difference between private cost and social cost rather than the difference between the quantity of money and the price of money. The latter neglects the «being at home», the belongingness and man as personality. The former means that we can construct objective social preferences from personal preferences, through social subjectivity, which K. Arrow considered impossible without violation of his axioms.

In the case where the concern for other people's welfare directly affects one's feeling, that feeling is the one of sympathy which differs from person to person depending on one's character. Character is the primal orientation of man's total field of motivation and this field is the openness to humanity. Since there is no movement by which I could change the zero origin of my total field of motivation, sympathy expresses itself in the personal, theoretical and practical involvement in events relating to economic issues of other people. According to Ricoeur<sup>7</sup> character is unalterable and governs me from the inside like my fate. Consequently, I could say that sympathy is inseparable from commitment only in specific persons. Since character is the narrowness of the whole soul whose humanity is openness, it is unmeasurable and so we cannot compare the degrees of connection between sympathy and commitment in different people. But we should know one thing. The sympathy concerning welfare of others is inseparable from commitment to certain people and separable to other people. This connection is unalterable since character is the finite openness of my existence taken as a whole. When sympathy becomes a case of externality in positive effects in production and consumption, it might involve a mode of commitment which Sen admittes is connected with one's morals. Consequently, positive externalities can not be put under the scope of Pareto-optimality in a way that would reveal **this** commitment.

A. Sen mentions Harsanyi's claim that sympathy is related to subjective preferences in the economy. We should not forget here that subjective preferences

6. Kierkegaard, S. : *Stages on Life's way*. Translated by W. Lowrie. Princeton, 1940.

7. Paul Ricoeur : *Faillible man* op. cit. 142.

of goods have *to do* with the different noemata<sup>8</sup> by which the embodied consciousness apprehends the good - object and so an inferior good to one person might be normal to another. These preferences are irrelevant to the person's character. A person with a bad character might apprehend a certain good (the good's noema) in the same way that another person with a good character apprehends it, while two persons with almost the same character might apprehend to good differently (give different noemata). Consequently, we may say that the individuality of a character cannot be seized by the individual apart from its universal humanity and sympathy for other people's welfare, but it can be seized apart from its openness into a panorama of goods with a certain hierarchy. Happiness is the infinite end of character, while welfare through the acquisition of goods is the finite end. These two levels of achievement are not related; so the final goods should have the seals, in their forms, of the persons that produce them as parts of the personal relations that effect them by a non - measurable utility. Also enemies may buy in the market in a peaceful way.

Harsanyi also argues that ethical preferences express what the individual prefers on the basis of impersonal social considerations, while the subjective preference express what the individual prefers on the basis of personal interest. I think that Harsanyi is wrong here. The concept of ethics in economics has to do with the existential notion of personal responsibility for others based on that which Heidegger calls the «call of consciousness». Antigone is a classical example of looking at the problem of how to act. By transcending social considerations, man is called to place on the level of morality the ontological problem of being with others in his economic life. My existence as an object is only possible in the presence of other subjects. As J. P. Sartre<sup>9</sup> says, my own subjectivity has an aspect of its project that might be termed my being-among-others, that is, my intentions as a social being. Ideally my being-among-others and being-for others should move parallel, so that I am objectively what I intend to be subjectively. The coincidence between the two is never wholly possible because the goals of my subjectivity and the goals of the subjectivity of others diverge, and my behaviour is regarded from two different points of view in such a way, that makes the social considerations a very weak basis on which an «ethical» market for negative externalities will function. Virtue as a presupposition for the truth of existence and life requires their abolition.

Generally, the existential ethics in economics may be summarized in the

8. Husserl, Ed : *I d e a s* I. General Introduction to Pure Phenomenology. Translated by Boyce Gibson. MacMillan Ltd. London, chapter a. page 237.

9. J.P. Sartre : *Being and Nothingness*. Translated H. Barnes. page 317.



pursuit of chosen ends, accompanied by the constant awareness that they are freely chosen and that new choice is always possible. It requires both action and uncertainty, activity and reflection, modes of life which are often held to be incompatible. Specifically, Sartrean ethics call man to learn to live with the desire, shame and anguish inherent in the human condition. Ethics must be primarily concerned with the relation of means to ends, with the relation between the ethical targets and the ethical instruments in economic policy. These instruments ought to be determined by the targets, so that the intention or will of the policy maker ought to be directed towards the welfare of the economic person that is found in the short-run. Due to the priority of *existentia* over *essentia*, that is, the Being-present-at-hand over the Being-what-it is, the substance of the being of the economic subject for the world which is also an object in the world through economic care, that is accomplished through pure and perfect competition (recall X-inefficiency), is to be found in the short-run. In the long-run, although the person is the same, the substance of the being of the economic person is not the same or even it might imply a being other than itself (Sartre). Welfare expectations of course, exist in a disposable man's soul as hopes, but include imagination and the subjective experience of time. Also the readiness-to-hand that is involvement of the labor, instead of non-fallible knowledge and unending calculations, since time is the measure of our personal relations with the goods. It is the uncovering of Being, the possibility for goods to appear to be what they truly are.

Consequently, the ethical value of an economic decision cannot lie on the axiom which determines the will, and so the economic policy (in welfare theory an axiom would be equivalent to a rationalistic and formalistic criterion like Pareto-optimality in the case of positive externality) as Kant<sup>10</sup> says. Instead, it lies on the intention as it is being determined by the end of the mode of the person's welfare, that is found in short run. Of course its value does not lie on the effectiveness of the instruments with respect to the target but, insofar as the instrument is able to solve short-run problems of people's welfare, and the anticipation of the solution determines the will, the instrument is existentially ethical. As M. M. Merleau-Ponty<sup>11</sup> says, there is free (economic) choice only if freedom comes into play with its decision and posits the situation chosen as a

10. Kant, I: *Fundamental Principles of the Metaphysics of Ethics*. Translated by T.K. Abbott. 3rd Edition. Longman. page 100. A. Sen uses this book elsewhere.

11. M. Merleau-Ponty: *Phenomenology of Perception*: Trans. by C. Smith. Routledge and Kegan Paul. 1962 p. 437.

situation of freedom. The not missing the target is nothing else but the meaning of the ancient Greek word ἀλήθεια (truth), regarding existence and life, and the related meaning ἀ-λήθεια which means not forgetfulness, uncovering, revealing. So, I would say that the ethical welfare policy in economics is the one concerned with the freedom of the economic person where technology is not merely a means to a target, but a way of revealing the alternative ways concerning the use of scarce resources. As Heidegger<sup>12</sup> puts it, the essence of technology is by no means anything technological, not just a human activity. Techne is a mode of revealing. Technology comes to presence in the realm where revealing and unconcealment take place, where ἀλήθεια, truth, happens. For this reason it can not be tied to the concealing liberability of private business. Freedom of technology is one essence of truth, as an activity forthcoming to releasement towards meaningful relations through the mode of production and products. The above said concern policy making for technology regulation towards the direction of the whole, when invented by monopoly. Here by whole we mean a range of economic contents which are covered by a single foundation, with no historical gaps concerning relations through which technology has been acquired and the social relations that evolve. Thus no fetishism of goods will exist.

As far as the ethical decisions and preferences of homo economicus are concerned, ethical preferences referring to welfare cannot be definite because man is not between angel and animal but between selves. As Ricoeur<sup>13</sup> says, his ontological characteristic of being-intermediate consists precisely in that his act of existing is the very act of bringing about mediations between all the modalities and all the levels of reality within him and outside of him. These levels of reality have to do with the material stratum on which all other being is essentially related, and so all fields of the economy should be considered as relevant to welfare. The singleness of the foundation we mentioned above implies that every economic content is foundationally connected directly or indirectly with every content. This implies that the lack of any specific type of public good may lead to a disequilibrium, since parts of the economy will not be catered from existing human capital and efficiency.

The instinct for welfare insofar as it is a feeling which anticipates its realization more than it provides for it, assures that men are directed toward the dimension of totality. This dimension of totality might include acts that are in con-

12. Martin Heidegger: **The Question Concerning Technology and other Essays**. Tran. by W. Lovitt. Harper and Row. New York 1977. p. 12,13

13. Paul Ricoeur: *Fallible man*. o p. cit. page 6.

flict with each other. The short rumintervention of the state, then, is necessary to protect the person and society from extreme points of the contract curve, externalities and distortions. These distortions are mainly caused because the pleasure of welfare ie no may autonomus, but indicates needs in the process of being satisfied. Dasein is his own past on the way its own being and historizes out of its own future on each occasion, according to Heidegger. So, the division of these problems through the rational expectations method is incorrect. The desire to satisfy a need in the context of welfare is the present experience of need as lack and as urge, extended by the representation of the absent object and by the anticipation of preasure<sup>14</sup>. The regulation of negative externalities, for example, is a necessary activity for the satisfaction of the need to treat our environment as our home. On the other hand, the idea of a market for externalities through calcuclations is to transform this need and make our environment an instrument for wealth, while in fact it's place to live i n. This means that we should to treat our environment as if should it was our home, since it is the external horizon that consciousness desires to see as its own and not as something foreign. It is the certain context in which everything manifests itself and shows itself as it really is and not as something that stands against the energy of the subject. Consequently, a polluted environment cannot be a world that exists for consciousness. By becoming a source of private wealth it separates people instead of uniting thern. This dictates that economists overcome the economic logic of the trade off between cost of pollution and cost of pollution control.

Pleasure is only the penultimate phase of the cycle of needs whose last stage is possession and enjoyment in which the object is absorbed within us. Apart from the pleasure, which is diversified pleasure of the senses, enjoyment is disconventively banal but it is nonetheless satisfaction. Welfare has no meaning apart from this satisfaction at which causal needs aim through it. For this reason Husserl supports that the material world is the stratum on which all other being is essentially related.<sup>13</sup> This material world contains facts of utility which have do with the noetic-noematic acts of consciousness in the consumption of goods. The noetic has to do with the subject in relation to the good, while the noematic with the good in relation to the subject<sup>16</sup>. These two aspects of intentional acts are correlated (recall A. Marshall's razor's edge for short-run periods). Considering only the noematic aspect would mean to consider use-value, in the Marxean disubjecti-

14. Paul Ricoeur: *Voluntary and Involuntary*. Translated by E. Kohak Northwestern University Press, 1966. p. 101

15. Husserl, E.: *Ideas I. General Introduction of Pure Phenomenology*. Translated by Boyce Gibson. Collier-MacMillan Ltd. London, 1971. Chapter 9 - page 237.

16. Husserl, E.: *Ideas I* o p. cit page 210.

vized use of the word, on which the transformation problem is based. But this use does not where the noematic act of consciousness towards the good takes place. Thus take into account the showing power of the market prices and values are identical to persons and a price is equal to marginal social benefit since the will is autonomous. When  $MSB > MSC$ , the problem of achieving a point on the production possibilities curve becomes ontological. When  $P > MC$ , in other words, subjective relations of persons in markets lead to nosympathy and even if these are relations of friendship, they will collapse because perfect friendship is based on goodness. Also in the case of two producers where the one becomes better off without making the other worse off, Pareto optimality might not be perfect since it is probable for the second to be jealous.

The ideology of welfare must not be based on the problematics of what must happen and why to persons in terms of a non-liberal resource allocation. It should rather be based on an objective hierarchy of values corresponding to a hierarchy of economic targets that will overcome the economic (formal) logic of the cost-benefit analysis. Welfare planning should orient itself towards values that will be based on the transcendental existential needs of the persons. Adam Smith's theory of moral sentiments is more appropriate than the above analysis. In this theory, economic explanation (the ontic version of thought) will not stand alone. The authenticity of man requires also the ontological version. Man can exist authentically when his original possibilities are being fulfilled. So, as Husserl<sup>17</sup> puts it, in the unity of scientific formations, new concepts, together with original, new judgments, arguments and proofs should be unitarily combined to an all embracing theory. To restore authenticity would mean to unify the scattered self so that the person withdraws from false concerns and stands in his original possibilities. In Being - with others the authentic mode would mean helping others to the attainment of their freedom and their true selves. In this context the morality of a correct income redistribution may acquire an absolute place in the hierarchy of economic targets, instead of the relative value system of society or the labor market.

In this effort, phenomenology can help welfare theory because «pure» welfare theory is concerned with objects, not with Being. Quantitative economic cognition which is deterministic, can not provide goals towards the satisfaction of existential needs because it establishes no valid values. It can not give answers to the questions of its own meaning. As a result, the existence of quantitative

17. Husserl: *Formal and Transcendental Logic*. Translated D. Cavro Martinus Nijhoff/Hague 1976 p. 16.

welfare theory today rests upon impulses for which there is no scientific proof that they are true and legitimate as far as the structure of human consciousness is concerned. For this reason, I think that Jaspers<sup>18</sup> is correct when he writes that philosophy should deal with the sciences in such a way that their own meaning is brought out and set forth. In such a way, philosophy (phenomenology) will become the conscious witness for the scientific endeavour against the enemies of science. So, a transcendently-phenomenological world of welfare will be an ultimately clarified world, since the scientist will not lack in this method the above axiological criteria that derive from the concept of the person.

## CONCLUSION

Economic man is indeed, as Sen says, a rational fool. Rational, not in the calculative sense of the term but in the sense that he has the possibility for the reasonable revelation of goals that can be unique. And a fool in the sense that we can not comprehend him by formulas or as non-fallible in his method, of the use of intelligence for the object of knowledge. Even if he has a method his principles in it as an individual will separate him from the world. Reason is one aspect of human existence and that aspect is its unifying role. It will not unify. Reason seeks unity but not just one that contains all truth. It will communicate through language but does not perform a unifying role in all circumstances effectively. When separated from consciousness, it separates science itself. The truth of reason springs from consciousness and the human's body affection ensures that existence can not be proved through the Cartesian cogito. Man's soul is not what it is without the body and truth does not lie in the systematic use of information for objective thought since such a use separates the soul from the world by separating existence from thought. «The more we think, the less we exist» was Kierkegaard's response to Descartes.

To approach economic man's reality through welfare theory, we must start comprehending the whole of welfare through the subjective and ethical activity of man. K.W. Stickers<sup>19</sup> mentions based on Scheler, that the well-being of a family is judged not by the vitality of its interpersonal relations and the depth of its members' love

18. Jaspers, K. : *Philosophy of Existence*. Trans by R.F. Grabau University of Pennsylvania Press p.10-11.

19. Stickers, K. : *Phenomenology and Economic Science*. Phenomenology and the Sciences. State University of New York Press. New York 1985, p. 217.

for one another, but according to its economic viability and wealth due to the fact that economy has become the measure of life in general. To avoid this present direction welfare economics can help by reaching the unity of its science through the study of human reality. The essential unity among the interconnected truths of economic welfare can be accomplished among the unity of explanation and the homogeneous unity of explanatory principles that will be based on human consciousness, and not on the mechanistic view of the world which rests on analytic truths that a lot of times are trivial. As a result, the economic person as ontological freedom will retain his identity and fulfill his possibilities both for himself and for others by avoiding his adulteration and the restrictions that emerge when we take the ontic aspect of the individual, either in the theoretical or the empirical approach, the former certifying and explaining rationalistic theories through facts and the later testing rationalistic conclusions, both regardless of human consciousness and sometimes in opposition to it. The subjective economic relations of the persons must be sought in the region of phenomenological-existential thinking, which is open to its content through the process of collecting itself.

-

## REFERENCES

1. Berdyaev, N. : *Slavery and Freedom*. Translated by M. French. Charles Scribner's Sons. New York, 1964.
2. Husserl, Ed: *Formal and Transcendental Logic*. Translated by D Cairns. Martinus Nijhoff. Hague 1978.
3. Husserl, Ed : *Logical Investigations*. Part I Vol I. Translated by Dallas Willard. 1985. Routledge and Kegan Paul. London and Henley.
4. Husserl, Ed : *Ideas I. General Introduction to Pure Phenomenology* Translated by Boyce Gibson. Collier-Millan Ltd. London. 1971.
5. Heidegger, M. : *Language, Poetry, Thought*. Translated by Albert Hofstadter, Harper Colophon Books, 1980.
6. Heidegger, M. : *The Question Concerning Technology and Other essays*. Harper and Row. New York. 1977.
7. Jaspers, K: *Philosophy of Existence*. Translated by R.F. Crabau. University of Pennsylvania Press. 1981.
8. Kant, I. *Fundamental Principles of the Metaphysics of Ethics*. Translated by T.K. Abbott. 3rd Edition (Longman-London 1907).
9. Kierkegaard, S. : *Stages on Life's Way*. Translated by W. Lowrie. Princeton, 1940
10. Marcel, G. : *Creative Fidelity*. Translated by Robert Rosthal. The Noonday press. New York, 1970.
11. Merleau-Ponty, M. : *Phenomenology of Perception*. Translated by C. Smith Routledge and Kegan Paul. 1962.
12. Ricoeur, P. : *Fallible Man*. Translated by Charles Kelbrey. Henry Regney Company. Chicago. 1961.
13. Ricoeur, P.: *Voluntary and Involuntary*. Translated by E. Kohak. Northwestern University Press. 1966.
14. Sartre, J-P. : *Being and Nothingness*. Translated by H. Barnes. Washington Square Press. New York. 1970.
15. Sen, A: *Choice, Welfare and Measurement*. 108 Cowley Road, Oxford. OX41 JF, England 1983.

16. Stickers, K. *Phenomenology and Economic Science*. Phenomenology and the Sciences. State University of New York. New York, 1985.
17. Descartes, René : Λόγος *περί* της Μεθόδου. Μετάφραση Χριστόφορος Χρηστίδης. Εκδόσεις Παπαζήση, -Έτος 1976 σελ- 19 POSITIVE ECONOMICS
17. Henderson and Quant : *Microeconomic theory* McGraw-Hill Company 1981. New York. p. 154-290 Welfare, Theory.
  - ... .