

Value Judgement Under Welfare Economics

Thus they have described the utility functions of the various persons in the society with the help of a social welfare function. These economists are of the opinion that changes in social welfare cannot be assessed without making interpersonal comparisons of utility and therefore without making value judgements. It is because of this that this concept of social welfare is able to judge the welfare implications of even those changes in economic organisation and policies that make some people better off and others worse off.

Various concepts of social welfare have been referred to above. Economists generally do not accept the paternalist or dictatorial concept of social welfare. Some economists such as Robbins and his followers tried to separate economics from ethics but now-a-days there is consensus among economists that welfare economics cannot be separated from ethics.

Bergson, Samuelson, Little, Arrow and others are of the opinion that value judgements are most

important in welfare economics. But the fact remains that social welfare and changes in it cannot be measured accurately due to heterogeneity of the interests of the various individuals in a society.

Role of Value Judgements in Welfare Economics:

It is important to explain the role of value judgements in welfare economics. Since welfare economics is concerned with the desirability or otherwise of economic policies, the value judgements play a crucial role. As mentioned above, by value judgements or values we mean the conceptions or ethical beliefs of the people about what is good or bad.

These conceptions regarding values of the people are based on ethical, political, philosophical and religious beliefs of the people and are not based on any scientific logic or scientific law. There is a great controversy regarding whether value judgements should have any role to play in welfare economies.

Robbins and his followers have been asserting that the inclusion of value judgements would make our subject unscientific and therefore, according to them,

economists should refrain from making value judgements.