

Value Judgement Under Welfare Economics

After discussing new welfare economics we shall study the concept of the social welfare function propounded by Bergson and Samuelson. According to this social welfare concept, any attempt to establish propositions in welfare economics without the introduction of explicit value judgements is sterile.

Bergson-Samuelson social welfare function as well as Arrow's analysis of how to obtain social welfare function from preferences of individuals shall be discussed at the end of this part. Welfare economics has been a controversial subject in recent years because it involves value judgements about which there is a sharp difference of opinion among economists.

Now-a-days the establishment of a welfare state is the fundamental objective of modern democratic Governments. In order to achieve this objective the State attempts to satisfy the wants of each and every individual of the society. Non-satisfaction of wants gives pain to a man and its satisfaction, a pleasure.

The word 'pleasure' is associated with welfare. Some wants always remain unsatisfied and give pain to an individual whereas some are always satisfied or are in the process of being satisfied and thus give rise to welfare. The fact remains that the welfare is the result of the satisfaction of wants. It can be concluded from this fact that to increase the welfare of a man his wants must be satisfied.

According to Prof. J.K. Mehta, if we compare the two periods of time, then "a given man has greater welfare in which a larger number of his wants have been satisfied. Conversely, we can say that the smaller the number of wants (of given intensities) that remain unsatisfied the greater is the welfare."