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and Normative Economics**

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Mozaffar Qizilbash

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Max Planck Institute of Economics
Evolutionary Economics Group
Kahlaische Str. 10
07745 Jena, Germany
Fax: ++49-3641-686868

The Adaptation Problem, Evolution and Normative Economics*

By Mozaffar Qizilbash

Department of Economics and Related Studies,
University of York, Heslington, York,
YO1 5DD, UK.

Abstract:

Amartya Sen has advanced a number of distinct arguments against utilitarianism and ‘utility’-based views more generally. One of these invokes various ways in which underdogs can ‘adapt’ and learn to live with their situations. Sen’s argument is related to Jon Elster’s discussion of ‘adaptive preferences’ but is distinct in part because Sen cites the need for underdogs to *survive*. When read in combination with his discussion of Darwinism, Sen’s discussion of adaptation is relevant to recent work in normative economics which is influenced by evolutionary biology. It poses a problem for Richard Layard’s book on happiness, particularly its policy conclusions. It also poses a problem for Ken Binmore’s account of justice because the empathetic preferences in terms of which interpersonal comparisons are made in Binmore’s account are formed through social evolution.

Keywords: adaptation, preferences, utilitarianism, capability, evolution, happiness.

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0. Introduction

One of Amartya Sen's arguments against utilitarianism, and 'utility'-based views more generally, involves the idea that certain underdogs may 'adapt' to, or learn to live with, their living conditions in a variety of ways – such as by suppressing suffering, cutting back their desires or finding pleasure in small mercies. If they do so, the calculus of 'utility' might be a misleading guide to a person's quality of life or advantage in the evaluation of normative claims. This argument goes by a variety of names. In earlier work (Qizilbash, 2006a, p. 83), I have referred to the difficulty it poses for some accounts of well-being as the 'adaptation problem'. I use this term in this paper in a slightly modified form to refer to the problem posed, not just for accounts of well-being, but for normative evaluation and claims more broadly, including claims of justice. Elsewhere Roger Crisp and Andrew Moore (1996) refer to it (following Crocker, 1992) as the 'small mercies argument' and indeed it is also often referred to under the somewhat imprecise heading of 'adaptive preferences'. The use of the term 'adaptive preferences' to refer to Sen's claims about adaptation is misleading, because he usually makes no claim about preferences in the relevant discussions. In contrast, Jon Elster (1981 and 1983) argued – in closely related work – that 'adaptive preferences' posed significant difficulties for utilitarianism. Differences between Elster's and Sen's arguments have been discussed elsewhere (Nussbaum, 2000, pp. 136-8 and Qizilbash, 2006a, p. 93 *inter alia*), and a variety of responses to the adaptation problem can be found in modern forms of utilitarianism (Griffin, 1986, Sumner, 1996 and Qizilbash, 2006a) and arguably an early response can also be found in the writings of John Stuart Mill (Qizilbash, 2006b).

In this paper, I argue that one difference between Elster's and Sen's discussions - which has received little or no attention - is that Sen is often concerned that underdogs adapt with a view to *survival*. His related work on the Darwinian view of progress and evolution, helps to make more sense of some of his concerns about adaptation and survival. This paper goes on to address the following questions: is the adaptation problem relevant to recent contributions in normative economics - notably on happiness and justice? and do these contributions have any plausible response to the adaptation problem? I take Richard Layard's work to be an example of recent work on happiness, which has been influential at the policy level and Ken Binmore's writings as a contemporary account of justice. Both Layard and Binmore are influenced by evolutionary biology. The scope and claims of the paper are thus limited to examining whether the adaptation problem arises for these authors, rather than the work of all those working on happiness and accounts of justice which build on evolutionary biology in economics. Examining these specific authors nonetheless provides some insight into the enduring relevance of Sen's writings on adaptation to contemporary economics. The paper is structured as follows: in section 1, I explain and discuss Elster's account; in section 2, I explain Sen's views and show how they differ from Elster's; in section 3, I focus on Layard's recent discussion of happiness; in section 4, I discuss aspects of Binmore's account of justice; and section 5 concludes.

1. Elster on Adaptive Preferences

Jon Elster's discussion of adaptive preferences dedicates considerable space to distinguishing adaptive preferences from those formed in other ways. Indeed, for Elster,

adaptive preferences are closely identified with a specific phenomenon: ‘sour grapes’. To illustrate it he uses La Fontaine’s tale of the fox (‘certain Renard Gascon’) who, dying of hunger thinks he sees some apparently ripe grapes, but on realising that they are unattainable decides that they are too green and only fit for ‘boors’ (*goujats*) (Elster, 1983, p. 109). Elster refers to the phenomenon of sour grapes as ‘adaptive preference formation’ and to preferences shaped by this process of preference formation as ‘adaptive preferences’ (Elster, 1983, p. 110). The fox and grapes example highlights the way in which preferences may not be independent of the set of feasible options. Indeed, while Elster’s discussion is aimed primarily at utilitarianism, it is relevant more generally for preference based accounts of rational choice, including social choice (see Elster, 1989 and Qizilbash, 2007a). So he asks: ‘why should the choice between feasible options only take account of individual preference, if people tend to adjust their aspirations to their possibilities?’ (Elster, 1983, p. 109). As regards many modern forms of utilitarianism – which rank outcomes, rules or dispositions in terms of the average or sum of welfare they produce, and conceptualise welfare in terms of the satisfaction of desires or preferences – the implication is also clear. As Elster puts it: ‘there would be no welfare loss if the fox were excluded from the consumption of the grapes, since he thought them sour anyway’ (Elster, 1983, p. 109). Put another way, if the fox preferred starving to eating the grapes, preference-based utilitarianism would have no basis for claiming that the fox was worse off starving.

Elster discusses a wide range of related phenomena which include: ‘counteradaptive preferences’; manipulation; ‘character planning’; addiction; and preference change through learning. By distinguishing these phenomena from that of

adaptive preference formation, he hopes to explain why adaptive preferences are problematic. His ultimate charge against utilitarianism is that it would not distinguish between adaptive preferences and preferences formed in other ways and would thus not begin to address the problem he isolates. To clarify this point, I explain these different phenomena. In his conceptual map, ‘counteradaptive preferences’ refer to the ‘opposite’ phenomenon to sour grapes, i.e. that ‘forbidden fruit is sweet’. Here, as in the case of adaptive preferences, preferences are shaped by the feasible set. However, in counteradaptive preferences, the preference is for unattainable, rather than attainable, options. As regards, preference formation through learning, Elster notes that choices depend on tastes, which in turn depend on past choices (Elster, 1983, p. 112).

Someone reared in the country may prefer a country lifestyle to an urban one while someone with experience of only an urban lifestyle might then prefer that to a country lifestyle. On the other hand, someone who has experience of both lifestyles may be better informed – and have learnt from experience. The informed person’s preferences are then not simply reversed by changing the set of feasible options, as would be the case if preferences were adaptive (Elster, 1983, p. 114).

Elster also distinguishes sour grapes from the case of addiction where ‘people get hooked on certain goods, which they then consume compulsively’ (Elster, 1983, p. 121). He thinks that adaptive and addictive preferences have a certain amount in common because, in both, preferences are ‘induced by the choice situation rather than given independently of it’ (Elster, 1983, p. 120). However, he suggests that these phenomena differ in both the consequences of withdrawal and in the fact that in the case of addiction

the object of addiction plays an important role, whereas in adaptation it is the feasible set which is crucial.

Elster crucially also distinguishes adaptive preferences from ‘character planning’. In the phenomenon of ‘sour grapes’, the process of adaptation occurs – on Elster’s account - ‘behind the back’ of the person and is not the outcome of deliberation. If it were a person’s choice to alter her preferences in the light of the actual possibilities she faces, for Elster, that makes her *free*, in a way that she is not in the case of adaptive preferences. In the case of adaptive preferences, the process of preference formation is purely causal and to some degree undermines the person’s *autonomy*.

Adaptive preferences are also distinct from ‘manipulation’ on Elster’s view. In the case of manipulation, the process of preference formation is driven by the fact that it benefits people *other than* those whose preferences are being shaped. In the case of sour grapes, however, the process is driven by the fact that it is (apparently) good for – and presumably can be seen as improving the *welfare* of - those who adapt (Elster, 1983, p. 117) while undermining their freedom or autonomy. Elster’s discussion of sour grapes thus focuses on the potential conflict between autonomy and welfare in evaluating the effects of adaptation. This is especially clear when he discusses the possibility of *release from adaptive preferences* which occurs when people raise their (previously damped) hopes or expectations when new possibilities open up (Elster, 1983, p. 124). His own further analysis of such release – which continues in his discussion of the evaluation of the effects of the Industrial Revolution – focuses on the fact that social changes which lead to such a release can involve both ‘inducement of frustration and creation of

autonomous persons' (Elster, 1983, p. 135). This point is clearly important for the evaluation of progress or development which is a central theme in Sen's writings.

2. Sen on Adaptation, Capability and Evolution

While there is a significant overlap between Sen's discussions of adaptation and Elster's, there are also significant differences. In Sen's writings, claims about adaptation are put to (at least) two distinct uses. The argument is used: (1) to undermine confidence in 'utility' – understood as desire satisfaction, pleasure or happiness – as a reliable measure of well-being or the quality of life; and (2) to signal significant worries about any view of justice which focuses on 'utility' as a metric for interpersonal comparisons of advantage. Indeed, it in part motivates Sen's own well-known views of the quality of life and justice which are in part constituted by his 'capability approach' which is concerned with makes what a person *can* do or be (Sen, 1982, 1987, 1992, 1993a and 1999 *inter alia*). In more precise terms, the relevant things a person can do or be, her 'doings' and 'beings', are called 'functionings' and her *capability* refers to 'the alternative combinations of functionings the person can achieve, and from which he or she can choose one collection' (Sen, 1993a, p. 31). A person's capability thus 'reflects her freedom to lead different types of life' (Sen, 1993a, p. 33) and, in this sense, the opportunities open to her. On the capability approach, the quality of life, egalitarian claims and development can be evaluated in terms of what people are able to do or be, not just in terms of what their 'utility' is or in terms of their income or resources.

There are a number of ways in which Elster's and Sen's discussions of adaptation differ. One is simply that Elster's discussion is much more systematic than Sen's. Sen

typically invokes cases of adaptation to make a point, but does not articulate a systematic account of the sort that Elster provides, distinguishing adaptation from other related phenomena.¹ As regards the actual substance of their discussions, Sen's writings on adaptation differ from Elster's in that Elster focuses on sour grapes, whereas Sen is concerned specifically with various 'underdogs' in society. Another respect in which the discussions differ is that in Sen's discussions the notion of *survival* tends to feature. When underdogs adapt to their situations, it is sometimes – in Sen's examples - with a view to survival.

To pursue this claim, I use one of a number of passages where he invokes the phenomenon of adaptation. In *On Ethics and Economics* he writes that:

A person who has had a life of misfortune, with very limited opportunities, and rather little hope, may be easily reconciled to deprivations than others reared in more fortunate and affluent circumstances. The metric of happiness may, therefore, distort the extent of deprivation, in a specific and biased way. The hopeless beggar, the precarious landless labourer, the dominated housewife, the hardened unemployed or the overexhausted coolie may all take pleasures in small mercies, and manage to suppress intense suffering for the necessity of continued survival, but it would be ethically deeply mistaken to attach a correspondingly small value to the loss of their well-being because of this survival strategy. (Sen, 1987, pp. 45-6)

The related notions of adaptation with a view to survival and of a strategy undertaken in the face of adversity with a view to merely continuing to live can be found in many of Sen's texts from his earlier, to later, statements of the capability approach (see, for

example, Sen, 1984, pp. 309 and 512; 1992, pp. 6-7; and 1999, p. 63). The cases Sen cites in this particular quotation to exemplify the phenomenon of adaptation – the hopeless beggar, the precarious landless labourer etc. – are very specific and are, as we will see, both, in one sense broader, and in another narrower, than those which exemplify Elster's notion of 'adaptive preferences'. On the one hand, if an affluent but rejected lover who faces many opportunities in life decides that the object of his affection is not as beautiful as he earlier thought she was, and that someone he previously thought less attractive but who is more likely to respond positively to his overtures is to be preferred, this is no doubt a case of adaptive preferences in Elster's terms since it is a form of sour grapes (because the affluent lover's preferences are reversed in the light of a contraction in the feasible set). It clearly may not, however, be the sort of phenomenon Sen has in mind. The affluent but fickle lover has a wide range of opportunities in life while the underdogs in Sen's examples typically do not. In this sense, Sen's examples are narrower than Elster's cases of adaptive preferences since Sen focuses on cases of significant deprivation or inequality. However, Sen's examples are less restrictive than Elster's in another way. Consider the case of the dominated housewife who learns to live with her situation by accepting ideological claims which are put forward with a view to advancing the interests of men at the expense of women. In this context, Sen tells us that Simone de Beauvoir's work illuminated for him how 'women readily accept the pro-inequality apologia as a true description of reality' (Sen, 2003, p. 322). The case of gender inequality is one of a range of cases where Sen invokes how people might adjust to the inequitable conditions in which they find themselves. While he mentions such cases primarily in questioning the use of 'utility'-based views in the context of justice rather

than well-being, they fall squarely within the category of examples he mentions in discussing adaptation, though in Elster's terms they would not be cases of adaptive preferences if those who gain because of adaptation are men rather than women. In Elster's terms these would rather be cases of manipulation.²

It is worth here mentioning another phenomenon which Elster distinguishes from adaptive preferences: 'rationalization'. Here the situation a person finds herself in shapes – indeed distorts – her *perception* rather than her *evaluations*. Elster (1983, p. 123) readily accepts that this situation is often hard to disentangle from one of adaptive preferences. In the case of the spurned lover, for example, both phenomena are arguably at work. The lover both changes his beliefs about the beauty of the woman who rejects him and alters his evaluation of the merits of different women. By contrast, Sen's discussion of adaptation often invokes what he terms 'objective illusion' (notably Sen, 1993b and 2002, pp. 473-4) – which relates, roughly speaking, to distortions in perception – and the Marxian notion of 'false consciousness' in relation to such illusion. In spite of these differences between Elster and Sen, there are numerous overlaps between their discussions which sometimes obscure the differences. Just as in Sen's examples the underdog often reconciles herself to, or reduces her hopes or aspirations in the light of, her situation, so also in Elster's writings the phenomenon of adaptive preferences is usually described in terms of resignation or adjusted aspirations (Elster, 1983, p. 113). In both, also, people adjust to limited freedom in the range of choice open to them. Furthermore, both clearly see adaptation as a problem for utilitarianism.

Sen's reference to a 'survival strategy' in the quotation from *On Ethics and Economics* cited above can be seen as related to what he sees as the limits of Darwinian

analysis in the social sciences. Sen (2002, p. 485) has no worries about Darwinian analysis as an approach to how evolution takes place. Rather his concerns have to do with what he calls the ‘Darwinian view of progress’ – which relates to what constitutes progress and to the way in which evolution brings about progress.³ Sen sees the Darwinian criterion of progress as involving two steps, one of which is more direct than the other. The first judges progress directly in terms of the quality of the species produced (Sen, 2002, p. 488). Sen himself distinguishes this ‘quality-of-species’ approach from a ‘quality-of-life’ approach which focuses on *individual* lives rather than species and he sees his own capability approach as an instance of the latter type of approach to the evaluation of progress (Sen, 2002, p. 486). The second step involves judging the excellence of the species in terms of reproductive success – ‘the power to survive and multiply and thus, collectively, to outnumber and outlive competing groups’ (Sen, 2002, p. 489).

It is in the context of this second step in the evaluation of progress that Sen returns to the notion of adaptation. He writes:

We recognize many virtues and achievements that do not help survival but that we do have reason to value; and on the other side there are many correlates of successful survival that we find deeply objectionable. For example, if a species of vassals – some variant of homo sapiens – is kept in inhuman conditions by some tribe and that species adapts and evolves into being super-rapid reproducers, must we accept that development as a sign of progress? An exact analogue of this is, of course, imposed on those animals on which we feed. But such an arrangement

would hardly seem acceptable for human beings, and it is not at all clear ... that it should be acceptable in the case of animals either. (Sen, 2002, p. 494)

Here adaptation is explicitly linked to survival and evolution and Sen finds the inhuman conditions which lead to it objectionable even if it promotes reproductive success. There are at least two points that are central to Sen's argument: (1) that survival is not the only thing we have reason to value; and (2) if evolutionary pressures lead us to adapt to inhuman conditions and be 'super-rapid' reproducers, the 'quality-of-species' judged in terms of reproductive success is *completely* unconnected to the quality of life of individual members of the species. The first point suggests that we should be concerned with a multiplicity of things we have reason to value – and that is entirely compatible with Sen's capability approach which is 'inescapably pluralist' at a number of levels (Sen, 1999, p. 76), and allows for a variety of different valuable functionings of which merely surviving can be seen as the most basic. The second point underlines what Sen sees as the limitations of the quality-of-species as compared to the 'quality-of-life' view.

Sen also expresses a worry that 'the Darwinian perspective, seen as a general view of progress suggests concentration on adapting the species rather than adjusting the environment in which the species lead their lives' (Sen, 2002, p. 496). Adapting the species could involve either lending a 'helping hand to nature' through genetic improvement or 'trusting to nature' to weed out unfit genes. Neither approach, Sen thinks, suggests that we should adjust or reform the environment with a view to improving the quality of life. While Sen's claims here do not distinguish between different views of the quality of life, his claim that we should not in general see adaptation of the species as a solution without seriously considering the possibility of

adapting the environment to improve people's lives and make progress is relevant to modern views, especially views of happiness.

3. Layard on Happiness, Adaptation and Evolution

Richard Layard's recent book *Happiness: Lessons from a New Science* reports on, and draws out lessons for policy, from the large recent literature on happiness across many disciplines including economics. Layard defines 'happiness' to mean 'feeling good – enjoying life and wanting the feeling to continue' and by 'unhappiness' he means 'feeling bad – and wishing things were different' (Layard, 2005, p. 12). He also explicitly defends utilitarianism in something like the original form that it took in Jeremy Bentham's statement of it.⁴ On Layard's account, it is the view that 'the right action is the one which produces the greatest overall happiness' (Layard, 2005, p. 112).

The definition of adaptation which underlies the recent applied psychology literature on happiness, which Layard cites a great deal, runs as follows: 'adaptation ... refers to any action, process, or mechanism that reduces the effects (perceptual, physiological, attentional, motivational, hedonic and so on) of a constant or repeated stimulus' while '[*h*edonic *a*daptation] is adaptation to stimuli that is affectively relevant' (Frederick and Loewenstein, 1999, p. 302). It should be clear that this definition of 'adaptation' is quite distinct from those operating in the writings of Elster and Sen. Nonetheless, this definition encompasses the notion of adaptation used in the well-known claim that people increase their aspirations in line with rising incomes thus dampening any extra satisfaction derived from increases in income (Easterlin, 1974 and 2001). As people's income repeatedly increases, any mechanism, action or process - such as an

adjustment of aspirations - which reduces the effects of such increases on levels of satisfaction or happiness can be seen as ‘adaptation’. Unlike Elster’s concept of adaptive preferences this notion is not restricted to ‘sour grapes’; in contrast to Sen’s examples, it is not necessarily about the way in which underdogs adjust. As we saw earlier, one key respect in which Elster’s and Sen’s discussions are similar is that adaptation or adjustment of attitudes – desires, preferences or aspirations - occurs in response to some *limit* in freedom, whether it be some limit in what is feasible (in Elster’s case), or in a person’s opportunities which makes her an underdog (in Sen’s case). By contrast, in the happiness literature adaptation can occur in response to *expansions* in what is feasible or attainable.⁵

There are some peculiar implications of this conceptual difference when one compares Layard’s work with Sen’s and Elster’s. Perhaps the most striking emerges in Elster’s discussion of the Industrial Revolution. Elster suggests that if people’s aspirations rose in this context, it would mean that they are *released from adaptive preferences* and may be frustrated as their hopes rise, even though they might become more free or autonomous. This same rise in aspirations would, of course, – in the modern literature on happiness including Layard’s work – be seen as *adaptation*. Indeed, Elster implicitly acknowledges the possibility that people are not content with ever higher levels of income and sees it as a form of *addictive*, rather than *adaptive*, preference. He writes that: ‘there may come a point beyond which the frustrating search for material welfare no longer represents a liberation from adaptive preferences, but rather enslavement to addictive preferences’ (Elster, 1983, p. 136).

The possibilities of confusion arising from such diverse uses of ‘adaptation’ are considerable. Nonetheless, in spite of the confusion there is sometimes a convergence of ideas. One example of this occurs in Layard’s discussion of the fact that people ‘adapt’ to higher levels of income by raising their aspirations. He starts from an utilitarian assumption that happiness is the only ultimate end or value. Adaptation is then a good or bad depending on whether it does, or does not, promote happiness. In the case of adaptation to higher levels of material prosperity, it dampens happiness and is bad. Indeed, the moral that Layard draws from empirical research is that ‘income is addictive!’ He goes on to add that ‘[s]ince most people do not foresee the addictive effects of income and spending, taxation has a useful role, just as it has with other forms of addiction like smoking’ (Layard, 2005, p. 229). Layard’s conclusion is prefigured in Elster’s discussion of the addictive pursuit of material prosperity.

The relevance of Sen’s writings for Layard’s work emerges starkly when one considers the conclusions Layard draws from the empirical literature on happiness in the context of physical and mental impairments. Sen clearly sees the disabled as potentially falling under the category of underdogs who might learn to be happy with or cheerfully accept, their situation.⁶ On this point, the psychological literature on adaptation suggests that Sen is right to be concerned and indeed there is strong evidence of ‘adaptation’ in as much as some people who have become seriously impaired (e.g. become paraplegic or quadriplegic as a result of an accident) report surprisingly high levels of happiness (Frederick and Lowenstein, 1999, pp. 312). Sen’s key argument is that the metric of happiness may provide a flawed measure of the quality of life in this sort of case and can be misleading in evaluating the quality of life and egalitarian claims. He would suggest

that we should be concerned with what people can do or be, and consider adapting the environment or in other ways increasing the opportunities open to them. So, in the case of the disabled, we should be concerned with the extent to which the social environment allows the disabled to do or be certain things, such as access public spaces, or find work.⁷

To see the relevance of Sen's arguments, consider Layard's discussion of disability and mental illness. Layard writes that: 'we ought to be specially concerned about those misfortunes to which it is difficult to adapt. For example, persistent mental illness is impossible to adapt to' (Layard, 2005, p. 121). He also thinks that one reason health 'never comes through as the top determinant of happiness' ... 'may be partly because people have a considerable ability to adapt to physical limitations.' (Layard, 2005, p. 69). One might conclude that since it is difficult to adapt to some forms of mental illness, but quite easy to adapt to serious physical impairments, we ought to be less concerned about the physically impaired than about those with specific mental illnesses. Layard himself concludes that 'people can never adapt to chronic pain or to mental illness – feelings that come from inside themselves rather than limitations on their external activities. The control of such suffering must be one of our top priorities' (Layard, 2005, p. 69). One would, on this view, be less concerned about cases where humans tend to adapt to misfortunes. One might even take a positive view of such adaptation – as a sign of 'fitness' - and not prioritise action to improve the quality of life of people who suffer from certain misfortunes. Equally, one might not prioritise or even pursue actions to adapt the environment they live in. In the case of people with certain impairments, I find this conclusion very unattractive.

Does Layard have a plausible response to the adaptation problem? Layard (2005, p. 120) adopts a robust approach in defence of his brand of utilitarianism. He accepts the fact that the poor or oppressed might – as Sen would have it – adapt to their living conditions. But, for Layard, this does not lead him to neglect the poor, since the rich adapt even more (to higher levels of income) and there is a case for redistribution, so that his utilitarian approach is ‘pro-poor’. He goes on to argue that the poor and oppressed do dislike poverty and oppression, and indeed that is why we worry about these phenomena. So the claim must be that while people adapt to poverty, they do not adapt ‘completely’ – they still dislike poverty. Finally, he claims that: ‘[e]thical theory should surely focus on what people feel, rather than what people think is good for them. If we accept the Marxist idea of “false consciousness,” we play God and decide what is good for others, even if they will never feel it to be so’ (Layard, 2005, p. 121). These claims are very bluntly expressed, and while Layard neither expands on, nor defends, them, they do pick up on a very general concern with Sen’s writings. The claim is that those who reject a happiness or ‘utility’-based view because they do not always take at face value what people report about how they feel or how satisfied or happy they say they are – because of concerns relating to adaptation or ‘false consciousness’ - must decide what is good for others, and thus be paternalistic. It has been made more carefully in some of the more philosophical literature on Sen’s work (particularly, Sugden, 2006). I cannot here expand on what Sen has to say about ‘false consciousness’ (on this see Qizilbash, 2007b) or on how he responds to claims that his views on adaptation lead to some generalised form of paternalism (see Sen, 2006). It is worth noting nonetheless that because of his utilitarian commitments, Layard himself pre-supposes that happiness is the ultimate good – and that

is a philosophical presumption or doctrine rather than a claim based on any examination of people's views or feelings. The fact that happiness researchers use survey questionnaires to consult people's feelings does not make much difference here, since nothing in the capability approach excludes consulting people's views and indeed applications of the approach do sometimes use survey questionnaires with a view to gaining information on the functionings or capabilities people value (see Klasen, 2000 and Qizilbash and Clark, 2005, Clark and Qizilbash forthcoming *inter alia*).⁸ Furthermore, some of the policies which emerge from Layard's utilitarian approach might themselves be seen as 'paternalistic' if it is motivated by a view of what is good for people, quite aside from what they think or feel. For example, a policy of increasing taxes on those at high income levels with a view to promoting happiness might be regarded as 'paternalistic' because Layard claims that people do not properly anticipate how limited an impact ever increasing income has on happiness and so makes an 'expert' judgement about what is and is not good for them. So issues about 'paternalism' arise in Layard's work as well, even if he does not invoke 'false consciousness' (see Qizilbash, 2007b).

Layard also links happiness species survival. While in his classic statement of classical utilitarianism Bentham famously wrote that '[n]ature has placed mankind under the governance of two sovereign masters, *pain* and *pleasure*' (Bentham, 1970, pp. 33), Layard tells us that happiness is 'supremely important' because it is our 'overall motivational device'. Without this drive, he tells us that 'we humans would have perished long ago'. He adds that 'what makes us feel good (sex, food, love, friendship and so on) is generally good for survival. And what causes pain is bad for survival (fire, dehydration, poison, ostracism)', so that by seeking to feel good and avoiding pain 'we

have survived as a species' (Layard, 2005, p. 24). Happiness – on his view - drives us because of its beneficial effects on species survival.

It is unsurprising that elements of what Sen terms the Darwinian view of progress emerge in Layard's work alongside his utilitarianism. So Layard writes that:

By using our brains we have conquered nature. We have defeated most verterbrates and many insects and bacteria. In consequence we have increased our numbers from a few thousand to a few billion in a very short time – an astonishing achievement. The challenge now is to use our mastery over nature to master ourselves and to give us all more of the happiness we all want. (Layard, 2005, p. 27)

Since he endorses utilitarianism and one aspect of the Darwinian view of progress – in as much as he clearly judges progress in part in terms of reproductive success – it is unsurprising that Layard sees adaptation in a positive light when it promotes happiness and thus presumably (on his view) species survival. While it is hard to separate out Layard's Darwinism and his utilitarianism – and hence to separate out quality-of-species and quality-of-life views in his work – it is easy to see why adaptation to poverty or disability is not seen as a problem on his view. It is thus not surprising that when people with physical impairments adapt to their misfortunes, his response is not – as in recent work on the capability approach and disability (see Sen, 2004 and Nussbaum, 2006 *inter alia*) – to be concerned about changing the social environment to allow them to do and be various things.

4. Binmore's Contractarian View of Justice

Ken Binmore's rich and voluminous writings on game theory and the social contract (Binmore, 1994, 1998, and 2005) articulate a distinct contractarian view of justice. It simply is not possible to provide a summary of Binmore's complex views here and I restrict myself to specific aspects of his account which are relevant to this paper. Binmore's is a contractarian account of justice, in as much as morality is understood in terms of a social contract. In developing his account Binmore borrows the concept of the 'original position' from John Rawls. In that position, according to Rawls, people agree on principles of justice behind a 'veil of ignorance'. Behind the veil they do not know, amongst other things, their position in society – their class or social status - or their level of intelligence and position in the distribution of natural assets or even their conception of the good (Rawls, 1972, pp. 118-192). However, Binmore does not use Rawls' account of the currency of advantage in terms of which interpersonal comparisons are made behind the veil. Rather here he turns to John Harsanyi's famous version of utilitarianism.

Harsanyi's statement of utilitarianism changed over the years (see Harsanyi, 1953, 1955, 1977, 1982 and 1995). He famously builds on the writings of Adam Smith in supposing that human empathy is the basis of interpersonal comparisons. To make interpersonal comparisons, Harsanyi thinks that we use imaginative sympathy and put ourselves into other people's shoes to see what it's like. We can thus make comparisons such as: I prefer to be person *a* in situation X to being person *b* in situation Y.⁹ This is essentially an *intra-personal* comparison – a comparison of two possible lives for one person. To go beyond this to make *inter-personal* comparisons, Harsanyi needs more. Because he thinks that at some deep level we are all similar so that when the influence of

upbringing and various other factors are ironed out our ‘extended preferences’ - which are our preferences purified from the distortions of taste and upbringing - are, he thinks, essentially the same (Harsanyi, 1977, p. 59). As a consequence, interpersonal comparisons should come out the same on the basis of extended preferences whoever makes them. Nonetheless, since the influence of upbringing and other factors is not ironed out in real life, this account may not help with how we actually make interpersonal comparisons.

Unlike Harsanyi, Binmore does not attempt to iron out the differences in preferences which arise due to upbringing and so on. Instead he builds on Harsanyi’s own observation that ‘[i]n actuality, interpersonal utility comparisons between people of similar cultural background, social status and personality are likely to show a high degree of interobserver validity’ (Binmore, 1994, p. 62). In the light of this, Binmore supposes that preferences are malleable to some degree and are formed through social evolution. If people’s ‘empathetic preferences’ – Binmore’s term for the preferences they have when they perform acts of empathy – diverge and are fixed in the ‘short run’, in the ‘medium run’ they are variable. Once social evolution has operated – through learning and imitation – people’s empathetic preferences will converge to the point that they are identical (Binmore, 1994, pp. 64-66 and 86-7). Behind the veil of ignorance, on his account, people make interpersonal comparisons using these identical preferences. So Binmore is able to use Harsanyi’s notion of preferences formed through empathy while using a ‘naturalistic’ account of how people come to have identical empathetic preferences and so also the same standard in making interpersonal comparisons of utility.

What are the implications of Sen's writings on adaptation and evolution for Binmore's theory? If 'empathetic preferences' are formed through evolutionary pressures with a view to survival, then Sen's discussion of the quality-of-species view suggests that their formation and satisfaction may not reflect a decent quality of life or indeed be connected with welfare at all. They may reflect 'fitness', but still have little to do with the quality of a person's life. This point may not pose any serious worry about Binmore's account, since he does not claim that satisfaction of empathetic preferences constitutes welfare. Instead he adopts a 'revealed preference' account of 'utility' which is purely descriptive and codifies behaviour while merely demanding consistency (Binmore, 2005, pp. 117-8). This account notoriously does not provide a plausible account of well-being (Qizilbash, 1996, p. 63 *inter alia*) or even of value (see Broome, 1978). Indeed, Binmore does not follow Harsanyi (1982 and 1995) in claiming that the preferences which are used in his account should be informed or rational so that their satisfaction might connect with value or welfare.

Even setting aside the standard worries about a revealed preference view, the adaptation problem arises for his account because Binmore accepts the malleability of preferences. To be sure, Binmore does not claim that preferences are *entirely* malleable. Rather he accepts that 'our preference for clean and healthy foods seems likely to be fairly resistant to change'. By contrast, 'people's preferences among life-styles are very much a construct of *social* evolution, and hence highly vulnerable to modifying influences. Indeed, we seem to have a built-in urge to imitate the behaviour of those around us, and the capacity to learn to like what we are accustomed to do' (Binmore, 1996, p. 63). The notion of learning invoked here is clearly akin to a form of adaptation

in as much as it is a variety of habituation. Indeed, Binmore uses the term ‘learning’ in a less restrictive sense than Elster does. Furthermore, what Binmore thinks of as preferences which evolve through social evolution may include what Elster calls ‘adaptive preferences’ as well as the cases Sen cites when he discusses adaptation. Sen would thus no doubt be worried by the use of socially evolved preferences in an account of justice.

Binmore might remind us that his account makes no presumption that the satisfaction of empathetic preferences constitutes welfare or advantage. His revealed preference account allows for *any* form of motivation, so that preferences need not be self-interested or even link with the person’s own interests however broadly these are construed. Indeed, he makes no claim that interpersonal comparisons of ‘utility’ are interpersonal comparisons of welfare or even of advantage. But then, it is not obvious that Binmore’s account is a standard ‘justice as mutual advantage’ account of the ‘standard’ contractarian sort in which reasonable or rational self-interested agents agree on a social contract or agreement for mutual advantage.

Let us suppose then that Binmore’s account is ‘non-standard’. He is aware that because empathetic preferences are shaped by social evolution, they can be influenced by the distribution of power in society. In relation to his concept of ‘empathy equilibrium’ – in which nobody has an incentive to pretend that their empathetic preferences are other than they actually are – he writes that such an equilibrium can be thought of:

as encapsulating the cultural history of a society that led people to adopt one standard of interpersonal comparison rather than another. It is true that this history will be shaped by the way in which power is distributed in the society under

study, but this is the kind of bullet we have had to bite a great deal already (Binmore, 2005, p. 126).

The standard of interpersonal comparisons may thus be shaped by inequalities of power between men and women in some particular culture. It may be ‘culturally relative’ and indeed Binmore explicitly defends ‘relativism’ in the light of a variety of objections (Binmore, 2005, pp. 47-53). He may claim that there is no ‘non-relative’ standpoint from which we can judge that the standard operating within a culture are inappropriate for making interpersonal comparisons. Indeed, he may suggest that Sen adopts such a standpoint in stating his adaptation problem in relation to dominated housewives and other underdogs in some societies, who are ‘mentally conditioned’ and accept some ‘pro-inequality apologia’. Thus, I expect that the key aspect of Binmore’s view which would come into play in responding to the problem that inequalities can ‘distort’ preferences, desires or perceptions would be relativism.¹⁰ Sen himself rejects relativism, notably in his joint work with Martha Nussbaum (Nussbaum and Sen, 1989) and it goes well beyond the scope of this paper to evaluate Binmore’s defence of relativism in relation to Sen’s view of it.

Nonetheless, there is another basic issue raised by the fact that the standard of interpersonal comparisons can be moulded by power inequalities. Rawls’ original position – which, as we saw, Binmore invokes – was constructed with a view to removing, as far as possible, the influences of inequalities of status when deciding on principles of justice. If people’s empathetic preferences behind the veil can be shaped by, or adapt to, an unequal power distribution, that seems to undermine the motivation for using the original position. This problem arises for Binmore in as much as his is a

modern contractarian account in which the original position is presumably supposed to negate the effects of inequality of status.

5. Conclusions

Sen's scattered discussions of adaptation do not provide a systematic account of this phenomenon. They differ from Elster's account of 'adaptive preferences' not only because they do not focus on sour grapes but also because they tend often to invoke the necessity of survival for various underdogs. When these remarks are read in combination with Sen's discussions of the Darwinian view of progress their implications for modern normative economics – whether this focuses on happiness as in Layard's writings, or takes the form of a contractarian view of justice of the sort that Binmore adopts – are clearer. In Layard's case, the policy conclusions he draws from the happiness literature confirm worries Sen raises. While Layard's main defence in the face of the adaptation problem suggests that Sen's view is paternalistic, Layard's own writings can be seen as paternalistic. In Binmore's account, on the other hand, the empathetic preferences used to make interpersonal comparisons are not clearly linked to people's interests so that their satisfaction does not necessarily constitute well-being or advantage. The fact that these preferences can be moulded by social evolution and thus can adapt means that inequalities of power within a culture can influence the outcome in the original position. Even if Binmore defends relativism, the influence of power inequalities on the currency of interpersonal comparisons would appear, to some extent, to undermine the motivation for the use of the original position. The adaptation problem thus poses significant difficulties for both these contemporary accounts in normative economics.

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Notes.

¹ The nearest Sen comes to expressing the argument in a systematic way as one of three limitations of the utilitarian perspective can be found in Sen (1999, p. 62).

² It may, of course, be claimed that even in these cases, women who adapt to their situations are doing so primarily, or in part, out of self-interest. So there may be some blurring of the distinction between the phenomena that Elster terms ‘adaptive preference formation’ and ‘manipulation’. The point I am making is that *if* there were a case of ‘pure’ manipulation, that would not count as an instance of adaptive preference formation on Elster’s account but would be a standard case of adaptation in the face of injustice for Sen. I am grateful to James Foster for raising this point.

³ It may be argued that Sen’s account of the Darwinian view of progress is inaccurate. My purpose here is not to defend that account, but only to elucidate Sen’s views of adaptation in the light of that account.

⁴ Bentham (1970, pp. 12-13) writes that ‘an action is conformable to the principle of utility ... when the tendency it has to augment the happiness of the community is greater than any it has to diminish it’.

⁵ Indeed, in this literature, there is a distinction between ‘upwards’ and ‘downwards’ adaptation – which would, for example, cover the distinct cases of whether aspirations adjust upwards or downwards in response to a change in material circumstances. See, for example, Clark (2007).

⁶ See his lecture on ‘Equality of What?’ in which the earliest version of the capability approach was articulated (Sen, 1982, p. 367).

⁷ On this see Sen (2004) and Nussbaum (2006) *inter alia*.

⁸ This is one of a range of reasons why it can be argued that the adaptation problem actually also applies to Sen's capability approach. On this see: Nussbaum (1988), Sumner (1996), Qizilbash (1997), Qizilbash and Clark (2005), Clark (2007), and Clark and Qizilbash (forthcoming).

⁹ Similar arguments were put forward by William Vickrey, Kenneth Arrow and Amartya Sen. See Sen (1996, pp. 13-15)

¹⁰ Having said this, Binmore (2005, p. 122) explicitly accuses Sen of paternalism when he casually refers to 'modern paternalists like Amartya Sen'. Indeed he may raise 'paternalism' in responding to issues about adaptation.