Distinguished Speaker Seminar: M. Ali Khan – Identity, Backwardness and Tolerance: On Undisciplining the Discipline

Post-event Statement

M. Ali Khan, Abram Hutzler Professor of Economics at Johns Hopkins University, gave a lecture entitled “Identity, Backwardness and Tolerance: On Undisciplining the Discipline” at ADBI’s Distinguished Speaker Seminar on the 4th of December 2008.

Dr. Khan started his lecture with a question that has baffled thinkers for ages, i.e. on the causal relationship between governance and commerce, which runs through 18th century economics. He queried whether the former precedes the latter or vice-versa. He argued that from the 1950’s onwards, economics has become a rigorous and institution-free science; giving justifications for the free enterprise system and the importance of property rights in terms of the fundamental theorems of welfare economics for the Arrow-Debreu-McKenzie model. But phenomena unaccounted for and excluded in these theorems, such as non-convexities and interdependencies, were simply side-lined in the ensuing conversations. Yet with the development of new theories, e.g. in the field of industrial organization, and trade and game theories; this paradigm has been questioned. Thus the proposition on whether commerce brings forth the requisite institutions for its sustainable functioning has resurfaced, and is proving to be very relevant in the basic thrust of globalization.

Dr. Khan proceeded with his lecture by explaining two ways of understanding a theorem and its proof; by treating the proof in a unilinear way from the assumptions to the conclusions, or by taking a bird’s eye view and circling, at varying levels of detail, to the conclusion. He used the latter approach in his lecture by taking the three words, identity, tolerance and backwardness, circling around them using historical thinkers who had also tackled these issues. In his lecture, while not downplaying the importance of empirical measurement and theoretical modeling, Dr. Khan emphasized the importance of pre-theorizing as an antecedent to these quantitative efforts. Referring to his past work on trust, self-deception and self-interest, education as a transmission between generations, he argued
that there is room and insight for thinking along these lines on the aforementioned words in economics.

In exploring questions on identity, Dr. Khan asked the extent to which purposive calculus must be supplemented to explain individual actions; and hoped his lecture would shed light on this subject. Using himself as an illustration, he queried the roles that his many identities (his birthplace, education, profession, and race, among others) may play on his actions. On tolerance, he queried how tolerance would be exercised when faced with diametrically opposed (non-identical) actors, and emphasized the elusive nature of the term. To say that one tolerates a life-style of the other different from his, may be taken as an offence, at worst, and condescension, at best, towards the other. As such, he wanted to encourage reflection and also to raise cautionary flags. The question on backwardness and commerce was on the extent to which commerce promotes, impedes or enhances basic concerns on identity and tolerance, a subject not squarely grappled in economics, and which may be of direct relevance to development economics and resulting policy prescriptions.

In his attempts to answer these issues, Dr. Khan focused on the process of economic theorizing, on the importance of pre-modeling as economists include certain phenomena and exclude others when they theorize. He lamented the absence of second level theorems that, if not dictate, at least give operationally-implementable insight on these exclusions. Thus, current theorizing, as all theorizing, produces only tentative answers and inevitably changes as new data, and new views of reality, including that of intangible variables such as ethnicity, identity, tolerance, and trust, come into play. He also encouraged going beyond quantitative treatment, dominant in the work of Gary Becker, arguing that not all variables could be commodified.

This led him to his subtitle undisciplining the discipline, where he advocated a reexamination of previously excluded factors, as mainstream economics still could not get a full handle on why people act the way they do. He encouraged a multi-disciplinary approach to gain better understanding through the use of more relevant economic models. This led him to question the disciplinal divisions in the social sciences, made around in the 1950's; which may not be as warranted as they were before. In the preoccupation with the proposition that private vice leads to public virtue, an economy has been separated from a society, a polity and a community. Perhaps, as a result of work during the last 50 years, we are now in a position to include these exclusions. If this is done, this would be, in a way, loosening, if not unleashing, the disciplinary boundaries of development economics as a discipline.

In tracing the relevance of the word backwardness and its implication on the affiliated words, identity and tolerance, he drew from the writings of Bernard Williams. He then contrasted the works of J.S. Mill and Burke, whose use of the word backwardness skirts with it being synonymous with the word unfamiliarity, to that of Gerschenkron's who used the same word to explain Russian and European industrialization. Gerschenkron argued that the more backward the country is, the more it will show certain advanced features of
industrialization process.

In summary, the lecture was the author's attempt to look at, and for, some framework for studying the importance of tolerance and identity in economic development; and to ensure that economic development is not conceived in an impoverished way, particularly in its use of the word backwardness; as backwardness comes in a multi-faceted form, in addition to the society being judged, it may also have something to say regarding the person doing the judging.

**Background**

M. Ali Khan joined the Johns Hopkins University in 1973 after completing his Ph.D. in economics from Yale University. He received his B.Sc. (Econ.) from the LSE, M. Phil. from Yale and has been the Abram Hutzler Professor of Political Economy at Johns Hopkins since 1989.