

Market Justice: Possibility and Necessity

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Abstract: This research proposes a prerequisite for social order that the market requires is justice. The market is acknowledged as a social construct with specific mechanisms that allow people to act rationally without necessarily having such rationality. The anthropological premise that people are homo economicus and homo rationale who act in their own best interests is a prerequisite for this type of market. The perfect model of a competitive market is justified through the formulation of mathematical economic science.

The incapability of individuals to participate in the competitive market is the fundamental problem in the justice theory. In this case, equality and freedom served as the cornerstones of the dispute over justice, which could only be resolved by a theory of justice that could account for people's ability to participate in the market.

Compared to other approaches that solely highlight one aspect—either equality or freedom—Amartya Sen's capabilities approach in his theory of justice proved to be the most effective means of resolving the complex relationship between freedom and equality. In addition to serving self-interest, the relevant anthropological assumption also promotes freedom, morality, and justice. As a condition of social order, justice is necessary to reject domination and exploitation - either in the relationship between the owners of capital and the labor, or between the manufacturers and the consumers. The market ought to be accessible.

Keywords: Justice, efficiency, poverty, capability, self-interest, rationality.

Background

There is nothing absolute in the functioning of the market. Before reaching its most modern form today, the market functioned in various ways in the social order of each era. The market became a social construction in response to social conditions in the 18th century. Adam Smith, as the proponent of the concept of trade, gave a very critical note on the mercantilist system, which became the commercial politics at that time. According to him, in the mercantilist system, the interests of consumers are always sacrificed for the interests of producers. Quoting Smith, "*...in the mercantile system, the interest of consumers is almost constantly sacrificed to that of the producer*" (Smith, 1776). The mercantilist system measured a country's prosperity solely from wealth in form of money, which at that time meant gold and silver. To pursue prosperity, the country used various ways to collect gold and silver.

In order to maximize production and exchange in order to realize "universal prosperity" and "increased labor productivity", Adam Smith gave strict requirements: Give people "economic freedom." Smith stated in *The Wealth of Nations*, the principle of natural liberty, which is a form of freedom given to citizens, with little interference from the state. This freedom is needed to encourage the movement of labor, capital, money and goods. Smith added that economic freedom is not only to realize a better material life, but also a human right.

Smith believed that universal prosperity could be realized for society through a democratic free market order. Smith emphasized the need for three principles of self-regulating system:

1. Freedom in having the right to produce, exchange products, labor and capital according to their will and desires.
2. Competition, the right to compete in producing and exchanging goods or services.
3. Justice in terms of acting according to the principles of justice and honesty according to the values prevailing in society (Smith, 1776)..

Smith believed that the three principles above would create “natural harmony” among market players: workers, landlords and investors. Smith also believes that natural liberty that guarantees the existence of self-interest of millions of citizens will create a prosperous and stable society without direction from the state. This doctrine is often referred to as the “invisible hand”.

In discussions about markets, there is a tendency to place markets within a methodological framework, to discuss them within the limits of methodological interests. In the perfect competitive market, price is equal to the marginal cost of producing the last unit. This in turn determines the market supply of goods, where each producer increases production when price exceeds marginal cost, and decreases production when marginal cost exceeds price.

The development of market theory in the neo-classical economic tradition transformed Smithian normative assumptions such as the invisible hand, impartial spectator into modeling. The formulation of market economics into models is a methodological necessity to abstract exchange and all kinds of activities in the market into quantitative formulas that can be measured and used to predict.

Such a tendency is beneficial for economics because it facilitates market analysis. However, on the other hand, it causes the correspondence relationship between models and facts to become blurred because it has been reduced. This blurring causes economics to fail to capture the normativity in the market. Therefore, the author puts forward the presupposition that in the market there is actually a condition of social order that must be explained by economic philosophy. The blurring of the correspondence relationship between economic models and markets and field facts has given rise to a long debate about market excesses. For example, Gross Domestic Product has long been used as a model and benchmark for welfare. However, several studies and economic crises have begun to doubt the relationship between GDP and welfare. There is a gap between the model and the facts.

In the debate of liberalism, in principle the market is finished as a concept. In the sense of a perfect market, it meets the liberal criteria of freedom. However, the impact of the market that is at issue is economic inequality. This issue of inequality is what then brings the market into the discussion of justice. For many thinkers, however, the market's primary drawback is its alleged insensitivity to the needs of equitable justice. This is partially due to the high levels of social and economic inequality found in contemporary market countries (Macleod, 1998).

Justice is one of the core values of any social order. It is essential to discuss how to share the burdens required to maintain the social order and the benefits derived from it. No one should suffer from the wrongdoing of another, nor should anyone benefit from the wrongdoing of another. Although contemporary political debates sometimes seem to be dominated by self-interest on the one hand and technical details on the other, the most important thing is to ensure that society lives in a just order.

Research Questions

The market is understood as a social construction where the exchange mechanism in it is expressed in a mathematical formulation in economics. Internally, the market has a certain normativity that regulates market actors so that they are able to produce economic and social significance without interruption of justification from outside the market.

The problem in the current market position is in economic and social inequality. Inequality brings the issue of the market into the debate about the theory of justice. However, expecting justice to act as a condition of social order for the market to continue is not without problems. The superiority of market players manifested in competitiveness can be threatened, causing market stagnation. In general, the research questions raised are as follows:

1. Can justice become a condition of social order that become the foundation for the sustainability of the market?
2. Can an anthropological assumption be formulated where humans as market players promote justice?
3. Can justice be a moral motive for market players to achieve their goals?

Thesis Statement

The thesis statement of this research is as follows: justice is a condition of social order (conditions enabling social order) inherent in the market. The problem of injustice that occurs in the market mechanism is overcome through Amartya Sen's capability theory, which shifts the emphasis from freedom to capability, to enable the market to be accessible.

To sharpen the thesis statement above, it is derived into a specific thesis as follows:

- i. The market is the most enabling mechanism for individuals to act rationally without having to require themselves to have such rationality.
- ii. The incapability of members of society to participate fully in a perfectly competitive market is a fundamental problem in the theory of justice.
- iii. In the debate about justice there is issue of freedom and equality, which to overcome it requires a theory of justice that can place individuals to have capability in their actions in the market.
- iv. In overcoming the constellation between freedom and equality, the capability approach as explained in Sen's theory of justice is the best way to go, compared to other alternatives that emphasize only one feature, freedom or equality.
- v. Justice, thus, is a condition for enabling a social order in the market that seeks to develop individual capabilities so that they can compete in the market with well-informed and rational characteristics. Justice can also be part of the moral motive of individuals as market actors to achieve their goals.

Research Methods

The type of research is qualitative research based on literature studies by focusing on hermeneutical enrichment of adequate and relevant reference texts to the research topic. Conceptual analysis is conducted to test justice as a condition of social order in the market, especially its presence from humans as market actors.

For this purpose, the hermeneutic-phenomenological method is used. Phenomenological hermeneutics relies on the idea that there is a hermeneutic circle between the interpreter and the interpreted. On the one hand, the interpreter actively reads the text, but on the other hand, the text also actively reveals itself and its meaning to the interpreter. Thus, there is a dynamic reading that will enrich understanding.

With the hermeneutic-phenomenological method, the texts studied will be allowed to display their meaning as is, before the researcher makes an interpretation. Thus, the text is treated fairly by allowing its objectivity to appear while the researcher provides an interpretive understanding of it. This method will make it easier for researchers to not only understand the text as it is, but also provide space for creativity to provide a richer understanding.

Research Results

Neoclassical economic thought has become dominant in recent decades, viewing scarcity as the most fundamental economic problem. Scarcity requires individual choices to be made by rational economic actors based on scientific calculations. Scientific calculations are most effective in a context where the market becomes the dominant organizer of society. The market is seen as a natural result of an economic development process that operates in a social sphere independent of conscious intervention. In the context of market relations with society like this, freedom is interpreted as a condition of being able to choose to follow market dynamics without being stopped or distorted by government intervention.

In the context of such a dominant market role, we need to examine the thoughts of Karl Polanyi. Polanyi challenged the basic assumptions that had been believed to be true by the neoclassicists. Polanyi emphasized the limitations of the market's role in society. The market was rejected as the dominant regulator of society. The market was instead seen as a human creation, in contrast to evolutionary naturalism as explained by Hayek. According to Polanyi's anthropological research, before the market became the dominant regulator of society, scarcity was not the main economic problem. In Polanyi's view, provisioning dominated the behavior of those responsible for the existence of material in society. Provisioning was oriented towards improving the fulfillment of basic needs in the context of an expanded community and was not oriented towards achieving efficiency. In primitive societies, a "sense of abundance" was found. This shows that scarcity is not a problem that is integrated with the market.

Self-interest, which is the driving force for universal prosperity, also raises its own moral issues in the eyes of Smith's critics. This is what is called the "Adam Smith Problem". The problem in question is, "how could someone who wrote *The Theory of Moral Sentiments* (TMS), which provides the basis for natural sympathy as a glue for society, then write *The Wealth of Nations* (WN), which argues that economic policy requires the assumption that humans are inherently self-interested?" (Otteson, 2002).

The difference is thought to be based on Smith's change of mind between the publication of TMS (1759) and WN (1776). This change of mind is related to Smith's associations and the influence of a group of free-trade-oriented thinkers from France called the Physiocrats. Furthermore, there are several explanations for this problem:

(1) in both books Smith discusses two different areas of human life, moral relations and economic relations. He describes different human motivations. The two are not separate things, but Smith explains both motives in each book; (2) Smith's examination in TMS includes an expanded discussion of the virtue of prudence and its appropriate role in human life that demonstrates virtue. Because prudence is a virtue that concerns oneself, it shows that Smith was aware from the writing of TMS of the role of self-interest in human life; (3) Smith does not state in TMS that sympathy for others is a motive for action. Because it is not a motive, it does not conflict with other motives such as self-interest, which is a motive for human action (Otteson, 2002). Based on this explanation, a group of thinkers then stated that there was no Adam Smith Problem at all.

Liberty, as a value promoted by Adam Smith as a prerequisite for achieving universal prosperity, has its own problems. Critics worry that Smith's proposed liberty becomes a justification for greed and fraud.

In 1867, Karl Marx in his book *Das Capital* introduced an alternative economic model to Adam Smith's thinking. Marx showed scientifically that Smith's proposed system was flawed, because it only benefited capitalists and big businesses, with the exploitation of workers. As a result, the system would experience a crisis that would eventually destroy itself.

In creating his economic system, Marx created his own school of thought, language and methodology. Marx contrasted his system with the supporters of *laissez faire* – including Adam Smith, Jean Baptiste Say and David Ricardo. Marx was the first to call *laissez faire* the "classical school". Marx even coined the term "capitalism". Since the birth of Marx's thought, there has been no universally accepted macroeconomic model like in physics or mathematics. There are only war of economic schools (Skousen, 2007).

Marx considered the Ricardian system was suitable for the exploitation model. In fact, in many ways, David Ricardo was Marx's mentor in economics. Ricardo's focus was on the aspect of production and how production was distributed among the major classes of landowners, laborers, and capitalists. His analysis focused more on the class perspective than on individual actions. In the class system created by Ricardo, workers played an important role in determining the value of the product. Ricardo, followed by Marx, believed that labor was the only producer of value. The value of a product must be equal to the average number of hours of labor in producing the goods. Because labor is the only determinant of value, Marx called profit and interest "surplus value" (Skousen, 2007).

Marx supported a political system led by an authoritarian "dictatorship of the proletariat." Marx's economic system abolished private property, because it was the cause of class strife, class conflict and the root of slavery. By abolishing private property, there would be no need for exchange. Therefore, Marx also supported the abolition of money. Production and consumption could proceed naturally and even develop through central planning.

The early 1870s, especially 1871, were important years for the development of economics. Three economists working independently discovered the principle of marginal utility. This principle led to the neoclassical marginalist revolution. The idea that costs and prices are determined by the demand of final consumers and their relative marginal utilities was the missing piece of the puzzle in the evolution of modern economics. This discovery answered the paradox of value from Adam Smith to John Stuart Mill and at the same time also undermine Marxian economics (Skousen, 2007).

The three economists were William Stanley Jevons (1835-1882) with his work *The Theory of Political Economy* (1871), Leon Walras (1843-1910) from France with his work *Elements of Pure Economics* in 1874 and 1877 (2 volumes) and Carl Menger from Austria (1840-1921) with his work *Grundsätze der Volkswirtschaftslehre* in 1871, which is translated as *Principle of Economics*. These three economists developed the neoclassical economic school. This school combines the theory of marginal value and Adam Smith's *laissez faire* prosperity model. A generation later, a marginal revolution occurred in the world of economics which then replaced the Ricardian theoretical framework.

These three economists rejected the objective cost theory of value and focused instead on the principles of consumer demand and subjective utility. They saw these principles as the key to a new approach to economics. In their view, individuals make choices about products based on their preferences and real-world values. Like Jean Baptiste Say, they recognized that the amount of labor or production does not give a product its value. Value consists of the subjective judgments of individual users. Marginalists went so far as to argue that in the long run independent supply curves no longer exist. This is because supply is ultimately determined by final demand.

Neoclassical economists took the principle of utility one step further. They recognized that the more a good an individual has, the less desirable a unit of that good is. If water is plentiful, a glass of water will be relatively

cheap. On the other hand, if a community lives in the Sahara desert where water is scarce, water will be highly valued. The same principle applies to gems. If gems are abundant, their prices will fall. If gems are scarce, their prices will rise. Classical economists discovered the principle of diminishing marginal utility, where prices are determined based on marginal purchases and sales. These transactions satisfy consumer demand based on the quantity of a product available.

Essential commodities like water are so cheap, while non-essential commodities like precious stones are so expensive, requires further explanation. Adam Smith explained in *The Wealth of Nations* that it is necessary to separate utility from price. Furthermore, it is necessary to create an artificial dichotomy between “goods exchanged” and “goods used,” as if there were no connection between price and utility. Smith noted that water is a much “used” commodity, but its value is very small. Gems are rarely used and impractical (before gems were used in industry), but they have a high “exchange” value. This water-gem paradox eluded classical economists, and it undermined the microfoundations of economics for a generation.

Smith’s artificial dichotomy between value in “use” and in “exchange” had a dangerous effect. Marx and other critics of capitalism used this dichotomy as ammunition to question the distinction in the market between “production for profit” and “production for use.”

Menger was the first of the three neoclassical economists to develop a new approach to price theory and value theory systematically. Menger's thinking was able to conquer the Ricardian paradigm. His thinking and the Austrian school led and influenced changes in economic thought in the late nineteenth century.

Menger and the Austrians defended Adam Smith and his model of natural liberty in three ways:

1. The origin of consumer value. Menger and the Austrian school of thought show the role of consumers in determining a productive activity. This thought states that what determines the structure and price of a product is final demand, and not the time required to produce or production costs. The Austrian school calls this the theory of imputation. Utility determines the value of input.
2. Utility/marginal cost. Prices and costs according to the Austrian school are determined by margins, marginal profit for producers and marginal costs for consumers. This idea of marginal analysis forms the basis of modern microeconomics.
3. Subjective value. The Austrian school discusses the idea of searching for a "fixed measure of value" by Ricardo, which was later considered futile. Menger and his followers showed that the full value of a product depends on the desires of producers and consumers. Likewise with wages, rent, interest and profit which are determined based on subjective consumer assessments. Therefore, costs never have a fixed value in the long run (Skousen, 2007).

The classical economic methods of Adam Smith and Ricardo focused on how land, labor, and capital produce and distribute consumer goods. Menger, on the other hand, had a different view. His focus was not on the division of labor, but on the question of the nature of goods. According to Menger, what created the greatest improvement in the standard of living was not the division of labor, but rather the constant and gradual increase in the quantity of goods and services and their quality.

Menger reversed the causal relationship between value and cost. The value of consumer goods is not based on the use of labor or other factors of production. In fact, factors of production become valuable because of the prospective value of consumer needs. All producer goods and capital are ultimately valued by consumers.

According to Menger, all things are subject to the theory of cause and effect. Likewise, the feelings of a human being. If someone changes their feelings, there must be a cause. If someone experiences a change in feelings from feeling needy to being satisfied, there must be an adequate cause for the change. It is certain that there is a force within a person that changes a disturbed situation, or there is an external factor that occurs so that it can produce a state that we call the fulfillment of needs (Menger, 2004).

Something that can be placed in the law of cause and effect of fulfilling human needs is called "useful things". If we understand both the cause and effect relationship and have the power to direct "useful things" to fulfill needs, we call it goods.

In Adam Smith's thinking, the main driver of human welfare is the division of labor. The division of labor causes production to multiply, especially in a well-ordered society, so that universal prosperity will reach the lowest level of society. The division of labor will produce the same output with less effort or greater output with the same effort (Smith, 1776).

Menger has a different view from Smith in terms of the division of labor. According to Menger, the division of labor is not the most important cause of human economic progress, especially for "economically progressive people". What is meant by economically progressive people are those who pay attention to third-order, fourth-order and higher order objects. Economically progressive people do not merely carry out basic activities, namely collecting economy, an activity to obtain naturally available objects, which are in the lowest-order category. Because economizing individuals do not carry out activities that affect the production process of lowest-order objects, their existence does not depend on human desires or needs, so it is more coincidental.

The issue of realizing fairness in the market starts from the assumptions underlying the functioning of the market itself. The market economic theory that states that market players have complete information and act completely rationally in decision making is purely fiction. This theory does not occur in real life, not even close. However, this theory has a great influence, even in other fields of science, for example in modern political theory. The great impetus of the ideal market picture lies in the capacity to form elegant models and simple solutions to solve complex problems (MacLeod, 1998).

The issue of inequality has a broader perspective than poverty. Poverty is a state of absolute deprivation (the absence of basic necessities for survival), while inequality is an indication of injustice. Absolute poverty persists while injustice increases over time. This understanding is important because in the improvement model intended in contemporary economics, the poor will become slightly less poor only if the rich become richer (Seabrook, 2006).

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Discussions about poverty are usually juxtaposed with wealth. Those who are poor are those who do not have enough wealth or possessions. This approach was also used by Adam Smith who defined the problem in political economy as the problem of wealth and poverty (Smith, 1776).

Viewed in this way, poverty becomes a relative problem. The greater the average wealth in a society, the greater the wealth required for an individual to be considered not poor. This view of poverty makes it an implication of inequality, which makes poverty a problem of injustice (Levine and Rizvi, 2005). The role of the group determines whether poverty can be seen as a problem of injustice. If a group of people in society are denied to develop the capacity for the life they want, on the basis of their membership in a particular group (for example, based on race, ethnicity and gender), then it can be said that injustice is the cause of their poverty (Levine and Rizvi, 2005). In a modern society, where society is organized around the idea of freedom, we cannot escape poverty unless we can let go of the assumption of group identification, although the ability to do so does not necessarily guarantee that we are not actually poor.

Sen views poverty in the context of a market economy, stating that to understand poverty in general, or hunger, one needs to look at ownership patterns and exchange entitlements, and the forces that underlie both (Sen, 1982). According to Sen, in a market economy, one can exchange goods for other commodities through trade, production, or both. Sen calls this "exchange entitlement mapping" to describe the relationship between a set of exchange entitlements for each ownership bundle. A person in a market economy will starve if, given his or her ownership, the exchange entitlements do not contain enough ownership bundles to include food.

Sen views poverty in the context of a market economy, stating that to understand poverty in general, or hunger, one needs to look at "ownership patterns" and "exchange entitlements", and the forces that underlie both (Sen, 1982). In a market economy, one can exchange what one owns for other commodities through trade, production, or both. Sen calls this "exchange entitlement mapping" to describe the relationship between a set of exchange entitlements for each ownership bundle. A person in a market economy would starve if, given his or her possessions, his or her exchange entitlements do not contain enough ownership bundles to keep food in them.

Sen, however, does not accept a clear correlation between poverty and inequality, although it is a relationship that makes sense to most people. Attempting to analyze poverty as an issue of inequality or vice versa does little justice to either issue. For example, if a person with the highest income level transfers income to someone with a middle income level, this will reduce inequality, but it will not reduce poverty for the lowest income group (Sen,

1982). The identification of poverty based on lack of income is questionable for Sen. He argues that poverty is a problem of inadequate capability development and not inadequate access to goods or income.

The approach that focuses on increasing income in developing countries through economic growth is an approach that originates from neoclassical economics. This approach is based on technological change that drives industrialization. At the individual level, this approach focuses on increasing the goods and services that an individual can access for consumption and production, where the individual is also an input for growth.

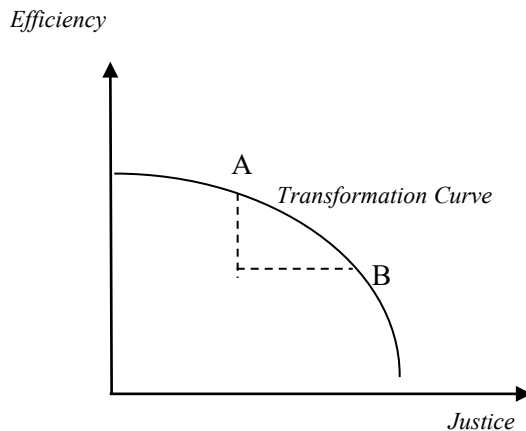
The capability approach criticizes the poverty criteria based on the lack of basic needs alone. The basic needs approach excessively places commodities as a poverty reduction. In reality, a person with fulfilled basic needs will still be considered poor if they do not demonstrate beings and doings as a complete human being. The basic needs approach focuses on what people have rather than what they can do or what they actually have the potential to become.

The question of justice in economics concerns the distribution of benefits and burdens among members of society. What claims can one member of society make on another member of society or on the state? What burdens can the state place on its citizens or one individual on another? Since justice is about the proper distribution of scarce resources in society, its discussion includes and is related to economics (Hausman & McPherson, 2006).

Justice in the market system contains potential of paradox. On the one hand, justice speaks of the distribution of social benefits and burdens, on the other hand the market system is based on efficiency. Okun describes the contradiction between efficiency and justice as the greatest conflict of socio-economic goals. This is based on the concept of efficiency referring to the principle of insatiability of needs. Okun states, "This concept of efficiency implies that more is better, insofar as the "more" consists of items that people want to buy" (Okun, 1975).

Stiglitz describes the trade-off between fairness and efficiency in the following transformation curve (Stiglitz, 1989):

Trade-off Between Fairness and Efficiency



The transformation curves above illustrate the various possible combinations of justice and efficiency. A curve with a negative slope indicates that greater justice is associated with lower efficiency, and vice versa. A curve with a convex shape indicates that with increasing concentration on one goal, greater sacrifices must be made in achieving the other goal. The practical problems referred to in the curves above are; first, what is the actual trade-off that society must face in choosing between a fair distribution of income and economic efficiency; second, the need to resolve the value competition between efficiency and justice, where society must formulate the right combination of efficiency and desired justice.

The question in the market is whether efficiency is a goal? In this case, Posner (1975) stated that efficiency does not represent the goal of a society. Efficiency, according to Posner, is more of an instrument to achieve other

social goals. Meanwhile, according to Dworkin, the trade-off between means and ends is unreasonable, unless efficiency is considered a “false target” for other goals.

It makes no sense to speak of trading off means against ends [. . .]. Someone who speaks this way must have in mind an entirely different point. He might mean, for example, that sometimes we achieve more of the desired end if we aim only at what is (in this sense) a means. That is the “false target” instrumental theory (Dworkin, 1980).

This argument justifies justice as a condition of social order for the functioning of the market. Of course, in placing justice as a condition of social order, it is necessary to pay attention to the existence of value competition in justice itself. John Rawls, who follows Kant in this regard, says that justice is superior to and more valuable than welfare or efficiency. Justice cannot be sacrificed for the achievement of welfare or efficiency, nor for the sake of happiness for the greatest number (Rawls, 1971).

According to Stiglitz, three themes that resonate in the world today related to the market economy are: first, markets do not work as described in economics because they are clearly neither efficient nor stable; second, political systems do not correct for market failures; and third, economic and political systems are fundamentally unjust. These three themes are fundamentally interconnected. Injustice is both a cause and an effect of the failure of the political system, and it contributes to the instability of the economic system which in turn exacerbates injustice. A vicious cycle that never ends (Stiglitz, 2012).

The eminence of a market should be efficiency. However, the market is clearly inefficient in reality. Demand equals supply, the most basic law of economics required for a market to be efficient, is not realized. There are huge unmet needs for investment to eradicate poverty, investment to promote development in poor countries in Africa and various parts of the world, and the global economy is being slowed down to overcome the challenge of global warming. At the same time, the market economy faces the problem of underutilized resources; workers and machines that are unemployed and not producing according to their potential. The worst market failure, unemployment, is the biggest source of inefficiency and the main cause of inequality and injustice. Injustice that occurs in the market must be paid with an unstable and inefficient economic system (Stiglitz, 2012).

The individual's decision to maximize his or her personal interests became an important assumption underlying the birth of modern economics. Self-interest became an axiom on which Adam Smith constructed his political economic thinking. Kenneth Arrow traced Smith's thinking and stated that a decentralized economy motivated by self-interest and guided by price signals would be in line with a coherent arrangement of economic resources that could be seen as superior to other possible arrangements (Arrow & Hahn, 1971).

Unlike most modern and enlightenment thinkers, Sen and Rawls believe that human goals are not always solely the fulfillment of self-interest. In Rawls, another goal of humans besides self-interest is self-development; it also includes all the supports for survival and the honing of talents. Rawls' similarity with modern and enlightenment thinkers is his recognition of human rationality.

However, Rawls takes a clearer position on rationality which he calls having two independent categories: rationality and reasonable. Rationality is also called the rationality of goodness where humans understand what goodness is. While reasonable is the rationality of justice where humans have moral capacity. In this case, humans are able to free themselves from the concept of goodness to care about rights.

To explain this moral capacity, Rawls proposes the concept of the original position, as a form of ideal impartiality. In the original position, Rawls proposes universal claims in the form of equality and freedom.

The anthropological assumption in Rawls's justice thinking is that humans are rational agents, with the maximin rule principle. This rule makes the human rationality a calculation tool in determining minimal benefits by imagining themselves in the worst probabilistic situation. The theory of justice, Rawls emphasized, is part of the theory of rational choice.

Meanwhile, for Sen, rational actions taken by individuals cannot be considered as actions that are isolated from the actual context of humans. This is a critique of the general tendency of rational choice theory that models human choice as a rational action that seems to be detached from the social and psychological dimensions that surround it. In short, Sen refuses to place humans as instrumental rational agents. He offers a comprehensive approach to the original Rawlsian position by clearly distinguishing between rational choice and rational choice theory. Rational choice theory is the principle of utility maximization, while rational choice is all rational actions as rationalizations of the actions themselves.

Orthodox economic theories such as neoclassical economics only focus on one dimension of the overall anthropological condition of humans, such as on emphasizing freedom and self-interest. In fact, humans must be understood holistically, by paying attention to as many dimensions as possible in humans.

They are for the most part the same today as they were one hundred years ago; the neoclassical characterization of human nature and the production process are simplistic to the point of being irrelevant to the description of real-world phenomena (Gowdy & Polimeni, 2005).

Sen's work is largely devoted to criticize the traditional understanding of the individual as a utility-maximizing agent, especially how to understand standard welfare economics and normative reasoning in economics in general. Sen has a long track record of thinking on the topics of poverty and basic needs, especially in relation to economic development. He also has ideas that contradict the common view that wants and needs cannot be systematically distinguished. Sen consistently defends differences between individuals. Most important of Sen's thinking is the concept that unifies the capability framework, freedom, which has no equivalent concept in either neoclassical or mainstream economics. His attention to freedom provides an alternative to the normative framework based on efficiency analysis (Davis, 2003).

Sen's initial idea was that individual choice and welfare are not always mutually exclusive, as is commonly assumed in neoclassical economics in characterizing individuals as utility-maximizing agents. One of Sen's criticisms of welfare economics is that its concept is "welfarist," meaning that the whole economic problem is measured solely in terms of individual utility. In fact, individuals pursue various goals in life, other than those that directly serve their own interests and welfare. The pursuit of these goals is to reflect commitment as human beings, sympathy for others and a desire to freely direct one's life even if it does not always provide for the best welfare for oneself (Davis, 2003).

Sen's proposed capability goes beyond Rawlsian closed impartiality. Closed impartiality is seen in the form of an original position which, according to Sen, can imprison basic ideas and principles of justice in a narrow space of local perspectives and group or state prejudices (Sen, 2009). This is because Rawlsian impartiality has a contractual meaning, only applicable to members of the contract.

Sen offers open impartiality as an answer to the limitations of the Rawlsian approach. However, Sen recognizes that there is a difficulty in open impartiality, namely the question of whether comprehensive and normative reflection on justice can really go beyond the boundaries of our local world (Sen, 2009).

Sen argues that global justice, which goes beyond contractarian limitations, now comes not only from vital institutions such as states, but also from international institutions, media, political organizations, and even social activities (Sen, 2009). Capability, therefore, is also the key to global justice.

By proposing the thesis of fairness in the market, it does not mean that the role of the state does not need to be considered. Because, individuals live in a world of institutions. In this context, Sen suggests that the opportunities and prospects of individual life depend greatly on the institutions that exist and how they operate. Sen asserts that our lives depend heavily on institutions.

Market mechanisms are the basic structure by which people can interact with each other and seek mutually beneficial actions. It is very far from common sense if we direct criticism at the existence of the market (Sen, 1999). Most of life's problems do not originate from the existence of the market, but rather from other things. Among them are problems such as inadequate readiness to transact in the market and unregulated activities that cause asymmetric benefits.

With a market mechanism that already contains a degree of justice, then issues outside the market need to be resolved with public policy, assuming the existence of state institutions. Among these issues are basic education and health facilities. All of these are things that are outside the market but also need to be handled to ensure that people are able to access the market.

Sen himself admits that it is very difficult for us to doubt the efficiency of the market mechanism. However, he also admits that efficiency does not necessarily produce distributional equity. In this case, the state needs to be considered as a public policy domain that is able to maximize people's access to the market. "But these efficiency results do not, on their own, guarantee distributional equity" (Sen, 1999). The state, in this context, is needed to create basic opportunities for equality and justice. The goal is for the market to be maximally accessible to people.

Critical Notes

The critical note of this study is that to return to the substantial meaning of the economy, humans as market actors must be viewed in a way that individuals have anthropological assumptions that promote justice itself. The view that humans are merely "utility-maximizing agents" is an irrelevant restriction and limits the potential for human virtue. The return of the economy to its substantial meaning places the market in a position as an instrument for fulfilling human needs. The dominance of market logic in various aspects of human life reduces the virtue of humans themselves.

The principles of justice proposed by Sen can be an alternative for humans to promote justice. Sen rejects the direct link between individual choice and welfare. Capability is given a more important place in social realizations than utility and happiness. Humans need to be given a wider space to be able to strengthen their capabilities, because it makes humans empowered and returns to a higher nobility than just an achievement measured by the material they have.

The space to place justice as a moral motive for humans as market actors to achieve their goals is very wide open. Human motives in carrying out an action are too complex to be limited solely to self-interest. Justice as a moral motive for market actors is present together with the freedom attributed to humans in the modern economy. Justice is a pure equivalence whose balance pendulum is in human sentiment. This pendulum makes humans not at the extreme of selfish but also not at the extreme of altruistic.

Justice as a human motive makes transaction activities based on a moral obligation to place one's position as if in the position of the other party to the transaction. Justice manifested in transaction activities emphasizes more on equality between subjects involved in the transaction, not merely de facto equality, but equality of rights, information acquisition and freedom.

The justice relation in relation to the consideration of the welfare of others, which is the moral motive of market actors, is offered by Sen in two bases of action. The first is sympathy, where a person's concern for the welfare of others is linked to its impact on the person's own welfare. If we can contribute to reducing the suffering of others, then our prosperity will increase. The second is commitment, where concern for the welfare of others does not affect his personal welfare, but can affect the actions that follow. The actions of others may or may not affect our welfare, but our choice to take actions that support the welfare of others will not change.

The position of justice as a perspective of the counterpart who has the same rights and interests as us, provides a greater opportunity to make the market a manifestation of the promise of shared prosperity. The guarantee of this equality also provides an operative definition of what kind of justice is needed to be present in the market. Justice that guarantees that every market player gets benefits equivalent to costs or sacrifices. Justice that guarantees that subjects get equal access to the features provided by the market. Justice that guarantees the freedom to express the ability to think and speak.

Conclusions

Several points can be drawn as conclusion to answer the research questions are as follows:

1. Justice is a condition of social order which is the foundation for the sustainability of the market, because it ensures social cohesion and economic stability. Justice is needed to reject domination and exploitation both in the relations between workers and capital owners/ industrialists and in the relations between consumers and producers. The market also needs to be placed back in social relations where the economy is also returned to its substantive meaning as a science to meet human needs.
2. Sen's principles of justice can be an anthropological assumption for humans to promote justice. Sen formulated justice as strengthening capabilities and freedoms that are more important than utility and happiness. Humans need to be given more space to be able to strengthen their capabilities. Capability allows humans to participate more and have a stronger bargaining position and guarantee the realization of equality.
3. Justice can be a moral motive for market players to achieve their goals. Self-interest which has been the assumption of human motives in their market activities is a simplification of very complex human motivations in making decisions and taking action. Justice as a moral motive comes with freedom. Justice becomes a balancing pendulum between selfishness and altruism

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