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## **Robbins and the transformation of welfare economics**

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### **1. Introduction**

According to standard accounts (see, for example, Blaug 1997)<sup>1</sup>, the significance of Lionel Robbins's *An Essay on the Nature and Significance of Economic Science* (1932, 1935) for welfare economics was that it undermined the utilitarian foundations of Pigovian or Cambridge welfare economics, paving the way for the emergence of the new welfare economics based on Paretian foundations. Inter-personal comparisons of utility could not be part of economic science, implying that it was not possible to make any scientific judgements about the distribution of income. This paper challenges that view. Robbins did argue that there was no scientific basis for inter-personal utility comparisons but this was part of a much broader argument about the inter-relations of ethics and economic science. His target was not so much Pigou (though he did make some specific, technical criticisms of Pigou's work) as more radical welfare economists, such as J. A. Hobson and Ralph Hawtrey. This reinterpretation involves both looking more carefully at the text of the *Essay* and at welfare economics, as it existed in the 1920s. The claim made is that by equating English-speaking welfare economics in this period with Pigou and Cambridge and thereby failing to take sufficiently seriously other traditions, the significance of Robbins's essay has been misread.

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<sup>1</sup> Honesty requires that I also cite Backhouse (1985) as having accepted this account.