

## LIONEL ROBBINS: PROPHET OR OGRE?

**ABSTRACT:** It is seventy-five years since the publication of Lionel Robbins' "Essay on the Nature and Significance of Economic Science" in which he beat the drum for what eventually evolved into neoclassical economics. He was not backward in offering advice for future economists to follow. Some of the advice has been so taken to heart that it nowadays seems almost incredible that the orthodoxy could ever have been otherwise. His famous redefinition of economics as the study of the allocation of scarce resources is the most famous case in which his advice proved to be truly prophetic. He was equally influential in arguing that interpersonal comparison of utility should be regarded as inadmissible within economic science, but here it is not so clear that we were wise to follow his advice in regarding welfare economics as an optional extra for serious economists. As for his views on the importance of separating economics and psychology, they make him an ogre for the new school of behavioral economists, but my own view is that it is here that his wisdom remains most relevant to modern economists.

This lecture seeks to explain the historical context of Lionel Robbin's contributions to economic methodology, and to assess the extent to which his views have survived seventy-five years of progress in economic theory.